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NEWS SUMMARY

GENERAL

Khomeini lists hostage terms

Ayatollah Khomeini said yesterday the 49 U.S. hostages in Iran would be released if the U.S. returned the late Shah's property, cancelled its claims against the country, unblocked Iranian assets, and guaranteed political and military non-intervention in Iran, the state radio reported.

His message, read by an announcer, recalled his having delegated the making of a decision on the hostages' fate to the Majlis (Parliament), but observers said that now Iran's revered leader had spoken the Majlis was unlikely to set different terms.

Students holding the hostages said that if the Ayatollah's terms were confirmed by the Majlis and accepted by the U.S., they would release their captives. **Back Page**

Liberal offer

Liberal leader David Steel invited Roy Jenkins and other *disenchanted Social Democrats* to join his party rather than set up their own, as the best *means of achieving realignment* in British politics. **Back Page, Page 4**

Healey attacks

Labour Shadow Chancellor Denis Healey accused the Prime Minister of "pigheaded and peremptory" treatment of both the CBI and Parliament. **Back Page**

Picketing move

Legislation to create an offence of "unlawful picketing" should be introduced, according to the Tory research group the Centre for *Policy* Studies. **Page 4**

Polish strikes

Thousands of workers across Poland were reported to be on *strike as efforts to establish* free trade unions gathered *momentum in the face of attempted dissuasion by the* established Communist-controlled trade union council. **Page 2**

Trawler seach

Ships and aircraft last night searched for the *Icelandic* trawler Hlein, missing in gales off the Scottish coast. S. Scotland and N. *England* bore the brunt of yesterday's gales.

Gem arrest

Robbery Squad officers want to *extradite* two Americans arrested in Chicago 11 hours after the £1.5m gem raid at Graff's the Knightsbridge jewellers. Assessors offered a £50,000 reward for recovery of the gems.

Pinochet rebuffed

Chile's President Pinochet secured a *plebiscite victory.* West Germany refused to recognise its validity and bombs ripped through Chile's Lisbon embassy and Oporto consulate.

Isle of Dogs plan

The Labour-controlled London borough of Tower Hamlets is launching an alternative plan for development of the Isle of Dogs. **Page 3**

Cubans in Kabul

A Cuban civilian advisory group has arrived in Kabul, according to Western diplomatic sources. Unconfirmed reports say it comprises about 100.

Briefly . . .

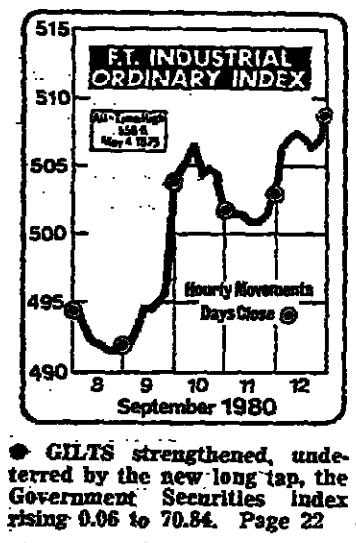
TV star *Hercules* has been seen on Uist but is still leading Hebridean police on a wild-bear chase.

Phasing out of night movements by noisier airliners at UK airports may be accelerated. **Page 3**

BUSINESS

Equities at year's high; gold up $6

● EQUITY leaders advanced on general optimism and the *latest inflation figure, the FT* 30-share index gaining 5.9 to the year's high at 508.9, up 25.0 on Account. The All-Share index rose 1.3 per cent to a record 298.49. **Page 22**



● *GILTS* strengthened, undeterred by the new long tap, the Government Securities index rising 0.06 to 70.84. **Page 22**

● *GOLD* rose $6 in London to $687.5, the highest since February and up $36 on the week. *The Gold Mines index gained* 19.6 to 468.4. **Pages 21 and 22**

● STERLING advanced 20 points to $2.4145, its trade-weighted index remaining at 76.2. DOLLAR was generally unchanged, its index closing at 83.2 (83.3). **Page 21**

● *WALL STREET* was 2.73 down at 938.57 before the close. **Page 18**

● CITIBANK, the largest New York bank, raised its prime lending rate from 12 per cent to 12.25 per cent, a move followed by many U.S. banks. **Back Page**

● EUROPEAN Commission could use its special powers to impose output quotas on EEC steel producers following concern that the Davignon plan on voluntary curbs is in danger of collapsing. **Back Page**

● PARIS BOURSE plans to rationalise its share quotation methods by suppressing the *system of some leading shares* being quoted on both the forward and spot markets. **Page 19**

● *JAPAN* has told the business community that tax increases may be needed soon to cope with the nation's critical financial condition because of massive debts. **Page 2**

● TOYOTA and Nissan of *Japan raised vehicle exports by* 34.5 per cent and 23.4 per cent respectively last month, compared with a year ago. Their shipments to the UK fell 55.3 per cent and 18.2 per cent.

● CLAYTON ANILINE, the Manchester-based dyestuff manufacturer, will lay off its 1,300 workforce for about two *months from* mid-November because of the recession. **Page 4**

● STRIKE at Ayrshire Marine Construction's Hunterston yard on the Clyde has led to 900 hourly-paid workers being paid off. Talks between the union and the U.S. owners continue. **Page 4**

● LUCAS Electrical, which announced plans to axe 3,000 jobs, opened talks with trade unions for a further cut in production because of falling sales. **Page 4**

COMPANIES

● ACROW, the international engineering group, reports a pre-tax loss of £1.85m for the year on a current cost basis, compared with historical profits of £2.02m a year ago. **Page 16; Lex, Back Page**

● *APPLEYARD GROUP,* the motor dealing, farm equipment and fuel oil concern, reports a *£845,000* pre-tax *loss for six* months, against £988,000 profits a year ago. **Page 16**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Treas. 12pc 1984	£98¼	+	¼
Treas. 15pc 2000	£100¾	+	¾
Bass	243	+	5
British Land	97	+	4
Cadbury Schweppes	74	+	4
Coral Leisure	95	+	4
Dunlop	84	+	4
GEC	537	+	17
Land Securities	397	+	6
Legal and General	240	+	12
Lloyds Bank	348	+	13
Plessey	265	+	9
Prudential	250	+	8
RMC	202	+	9
Redland	178	+	8
Royal Insurance	472	+	14
Standard Chartered	635	+	20
Tarmac	290	+	12
Tavener Rutledge	26	+	6
Westland	144	+	9
Cambridge Petrol	280	+	15
IC Gas	285	+	12
Sovereign Oil	328	+	28
Anglo-Amer. Gold	£50	+	2½
Cent. Pacific Mins.	£37	+	2¼
East Daggafontein	162	+	17
Leslie	207	+	14
North Kalgurli	107	+	10
Peko-Wallsend	515	+	25
Poseidon	315	+	19
Randfontein	£38¾	+	3¾
Trans. Cons. Land	£25½	+	1½
FALLS			
Black (A. and C.)	85	−	5
Bridon	56	−	10
Cantors A	42	−	4
European Ferries	183	−	5
Guinness Peat	135	−	10
Higgs and Hill	87	−	7
Oliver (G.) A	93	−	6
Thorn EMI	360	−	12

Turkey to be ruled by decree after army coup

BY METIN MUNIR IN ANKARA

THE TURKISH Army overthrew the 10-month-old Government of Mr. Suleyman Demirel yesterday in a bloodless coup and established a junta administration to rule by decree.

The military coup, Turkey's third in 20 years, was led by General Kenan Evren, the Chief of Staff, and five leading generals.

They established a National Security Council to "administer *and legislate*" *until* elections are held. These will take place after enactment of a new constitution *and laws governing* political parties and elections.

The timescale seems likely to be a long one.

Yesterday the generals *abolished* the constitution, and Parliament, and declared martial law throughout the country.

Mr. Demirel, the Prime Minister, Mr. Bulent Ecevit, the main Opposition leader, and Mr. Necmettin Erbakan, *leader* of the Islamic fundamentalists, the National Salvation Party, were taken into custody.

Between 80 and 100 deputies were detained. However, General Evren indicated that only those Members of Parliament facing criminal charges before the coup would be prosecuted.

Turkish Press reports last night said that hundreds of "extreme Left- and Right-wing terrorists" were *being rounded* up.

Mr. Alparslan Turkes, chairman of the ultra-Right-wing *Nationalist Action Party,* appears to have escaped and to have disregarded calls to surrender. *His followers* are generally blamed for terrorist acts committed by the extreme Right.

There were fears that Mr. Turkes might go underground and attempt a battle against the junta, increasing the danger of civil war.

A curfew was imposed at dawn yesterday, and later lifted *temporarily to allow shopping.*

Political organisations' activities were suspended and three extremist newspapers banned.

The junta also banned two trade union confederations, the Left-wing DISK, which has *450,000 members,* and the Right-wing MISK, 25,000 members. The middle-of-the-road TURK-IS *confederation* was left untouched.

"Starting from today, for a *temporary period until a new* Government and legislative body are formed, executive and legislative powers *will be exercised* by the National Security *Council under my command,"* Gen. Evren said in a country-wide radio and television broadcast.

"In the shortest possible time the executive responsibilities will be transferred to a Cabinet which the Council will name."

The coup has cast serious doubts on whether democracy can survive in Turkey, a developing country of 45m people which has been ravaged by economic problems and rampant terrorism.

It has also raised questions *about Turkey's ability to enter* the European Economic Community and about its *association with NATO.*

Gen. Evren said that Turkey would remain loyal to NATO and her other treaty commitments.

The two most immediate problems facing him will be the economic crisis, and political violence.

Turkey is heavily in debt and has avoided total financial collapse only through inflow of substantial credits from Western Governments and banks and the International Monetary Fund, whose biggest *aid recipient it is.*

Hours after the coup the generals were closeted with two *officials responsible for running* the economy, Mr. Ismail Hakki Aydinoglu, governor of the Central Bank, and Mr. Turgut Ozal, the ousted Government's chief economic adviser.

Both are sound economists with free enterprise views who are widely respected abroad and have played a major role in the ousted Government's economic salvage *operation.*

Continued on Back Page

EEC TO DISCUSS AID DOUBTS

EEC Foreign Ministers are ***likely to discuss*** **the coup and its implications for continued Community aid to Turkey in Brussels** ***on Monday.***

EEC member-governments reacted with widespread concern to the coup, though Brussels officials privately expressed relief that the military ***takeover would delay*** **the question of Turkey's entry into the Community.**

The U.S. Administration **regretted the action but said it looked forward to eventual** ***restoration of democratic rule.*** **NATO described the coup as a "purely internal matter." Manoeuvres in Turkey involving 3,000 NATO troops will continue.**

Bankers expect **to resume discussions with Turkey over rescheduling of about $3.2bn** ***of the country's total foreign*** **indebtedness of more than $16bn.**

Iran closed the main border **post with Turkey within hours of the coup.**

***The coup and its aftermath,* Page 14**
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Bankers hope for Stability, Page 2

BL reveals £181m first-half loss

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

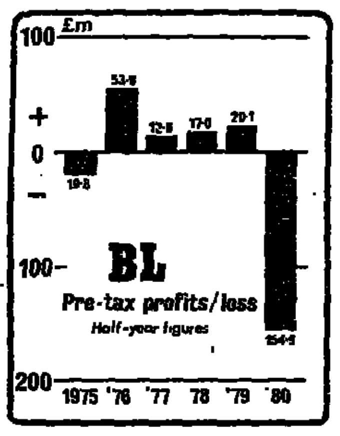
BL MADE a record loss of £181.5m after tax and extra-ordinary items in the first half of 1980. But the board of the *State-owen company has given* the go-ahead for the LC 10 project to produce a family of *medium-sized cars entirely* designed and developed by BL.

It is clear that BL will not be *able to finance the LC 10* programme without a further big cash injection from the Government *on top of the £130m* already agreed for 1981-83.

Sir Michael Edwardes, the *chairman, would not be drawn* yesterday on how much BL would ask for. But he said: "*The LC 10 is even more* critical than the Metro to BL Cars. The success of the Metro *alone would not be enough to* bring about the recovery of BL Cars."

LC 10 is in a more profitable area of the market than the Metro he added.

He would make *no forecast* for 1980 as a whole but said there was no hope of an early



improvement in trading results. "We cannot possibly run the business at a profit in the short term and our priority this year has been to manage cash as tightly as possible, even where this has prejudiced our profit and loss account."

In the six months to the end of June BL's sales fell from £1.66bn to £1.42bn compared with the same period in 1979. The trading loss for the 1980 half-year was £93.4m (£47.7m profit).

The loss after tax and extra-ordinary items of £181.5m compared with a £9.2m profit for *the first half of 1979* and a loss of £144.5m for the whole of last year.

BL's streamlining operation, which has been accelerated because of market conditions, will *cost nearly £40m* this year. In the first half, redudancies and closures cost £16.8m and a further *£22.9m* will be sepnt in the second half.

Sir Michael said the Metro programme "demonstrates that with the proper investment in technology and facilities, the UK car worker can compete on equal terms with any foreign car worker. This fact has largely influenced the BL Board to go ahead with LC 10."

If all goes to plan the LC 10, a five-door hatchback, should be launched in late 1982 or early 1983.

The second in the family code-named AM 2, has a conventional "three box" design with a boot at the back to appeal to the company fleet buyers. AM 2 is due for a 1983 launch. The LC 10 range would replace the Allegro and the Morris Ital (formerly the Marina).

On the face of it, the mid-range cars could cost a further £300m—the going rate for projects of this type. But that *would be too high an estimate,* given that the £285m spent on Metro would include a major *overhaul and modernisation of* the Longbridge plant so that not much extra work would be needed *to add LC 10 to its output.*

Still, BL would find it difficult to raise even half that sum.

Sir Michael said BL's employees had made a major contribution to the group's survival this year. But it was clear that *neither BL Commercial Vehicles*

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Offer of £1bn gilt-edge stock to exploit market conditions

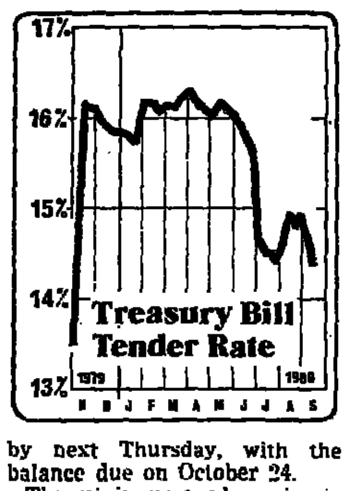
BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A NEW *£1bn gilt-edged stock* is to be offered for sale next week as the Government tries to take advantage of the strong conditions in the gilt-edged market to finance its continuing, large borrowing needs.

The issue, the first for about two months, is a further tranche of 12 per cent Exchequer 1998. It is officially justified on the *grounds that the last call on* the large partly-paid gilt sales of the early summer is due in *under a fortnight's time.* Further funding will then be required.

Moreover, there will also be a gap of at least two months *before there are any significant* receipts from the new index-linked National Savings Certifi*cate for people aged over 60* which was announced on Tuesday.

*The offer will be in a partly-*paid form though with a rather higher amount payable on *tender (£50 per cent)* than recently, possibly to discourage too much speculative interest. *Tenders have* to be submitted



by next Thursday, with the balance due on October 24.

The *minimum tender price* is £92.50 per cent, where the flat yield is 12.97 per cent and the *gross redemption yield* is 13.07 per cent.

The announcement of the issue made little impact on the gilt-edged market where long-dated stocks closed up to £¾ up. The FT Government Securities index *finished* more than 2 per cent up on the week despite the poor money supply figures on Tues*day.*

The City markets have interpreted the attempted re-assurance by the Treasury as a sign that Minimum Lending Rate *will fall before* long, possibly in early October. But City analysts still remain *sceptical over the official claims* about slower monetary growth and lower public sector borrowing.

The downward trend in short-*term interest rates was under*lined yesterday at the weekly Treasury Bill tender where the *average rate of discount dropped* to 14.4 from 14.75 per cent a week ago.

Similarly, a fall in *money* market interest rates in the past week led yesterday to an announcement by the Treasury that the rate of interest on certificates of tax deposit is to *be cut on* Monday from 15 to 14 per cent.

Building society receipts, and
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For latest Share Index 'phone 01-246 8026

August retail price rises slow to 0.2%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

RETAIL PRICES rose only 0.2 per cent last month. This is the smallest increase for three years. The prices of seasonal foods such as fresh vegetables have fallen sharply.

The prices of many household goods are still being held down *by intense High Street com*petition and extended summer sales promotions as retailers try to reduce excessive stocks in the face of falling demand.

The small rise in the retail *prices index last month to* 268.5 (January 1974=100) produced a larger than expected drop in the 12-month rate of increase to 16.3 per cent. This compares with 16.9 per cent in mid-July and a peak of 21.9 per cent in May. The average rate *of increase in industrialised* countries generally remains much lower, at 12.8 per cent in *July.*

PRICE INCREASES

Percentages over	Four months	Twelve months
Food	1.9	11.7
Housing	3.3	29.4
Durable household goods	1.3	9.3
Clothing and footwear	1.3	7.7
Nationalised industries	7.6	26.3
All-items, RPI	2.9	16.3
Tax and price index	3.4	17.8

Sources: Department of Employment and Central Statistical Office.

Confident

Whitehall officials were confident yesterday that the 12-month rate will fall slightly further before the end of the year, with a more substantial fall likely next January.

There could be slight hiccups from month to month but the end-1980 outcome looks certain *to be less than the 16.5 per cent* rise forecast by the Treasury in the March Budget.

Most economists believe the 12-month rate will fall to between 13 and 14 per cent by *the middle of next year,* particularly if the mortgage rate falls.

But there is a big division of opinion *on the prospects for the* second half of next year, for which forecasts range between *9 and 14 per cent. This depends* on the assumptions made about pay rises, the level of sterling and the impact of the rapid rate of monetary growth.

The slowdown during the *summer to a monthly rate of* increase of less than 1 per cent has reflected the pressure of *falling demand rather than any* parallel moderation in cost increases. Consequently, it has been at the expense of lower profit margins.

The latest figures also highlight the division of the economy between retailing, where competitive forces apply, and the monopoly public sector which is still able to raise charges.

Over the last four months, for instance, prices charged by nationalised industries have risen by 7.6 per cent compared with increases of well under 1.5 per cent in the prices of both clothing and footwear and durable household goods.

The contrast is equally striking over the longer term. Nationalised industry prices have risen by 26.3 per cent in the last year compared with 9.3 per cent for durable house*hold goods and 7.7 per cent for* clothing.

There are also a large number of public sector price increases in the pipeline, including gas and electricity charges (both up a *tenth). Post Office* charges, rail and bus fares and domestic coal prices. These rises will be *spread out over the rest of this* year and will limit any further drop in the 12-month rate.

Influence

The main influence on all *items index last month* was a 6.5 per cent drop in the price of seasonal foods as a result of *a fall in the cost of* lamb, potatoes, tomatoes and cauliflowers. These falls offset rises in the *prices of milk, tea, sugar and* pet foods.

The tax and price index, in*troduced last year to show* the impact of direct tax changes, is rising faster than the retail prices index because of the increase in the real burden of tax in the March Budget.

In the year to August the tax and price index increased by 17.8 per cent to 135.3 *(January 1978=100),* 1.5 points more than the rise in the retail prices index. This shows the *increase in pre-tax earnings* needed by the average taxpayer in order to maintain the real value of *post-tax pay packets.*

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£ in New York

—	Sept. 11	previous
Spot	$2.4180-4190	$2.4050-4060
1 month	1.13-1.08 dis.	1.29-1.24 dis
3 months	2.48-2.43 dis.	2.44-2.39 dis
12 months	4.40-4.20 dis.	4.40-4.25 dis

OVERSEAS NEWS

Japan paves the way for tax increase plan

BY RICHARD C. HANSON IN TOKYO

JAPAN'S planned issue of Y14,200bn (£27bn) in Government bonds to bridge its 1980-81 Budget gap will be almost equal to the combined 1980 Government bond issues of the U.S., UK, West Germany and France.

Japan's Finance Ministry is using this point to drive home the fact that the nation's finances are in a critical condition and that tax increases may soon be needed.

The highly sensitive issue of new taxes, which almost caused the defeat of the ruling Liberal Democratic Party in an election last October, was not specifically mentioned today when Mr. Michio Watanabe, the new Minister of Finance, briefed Japanese and foreign businessmen on the fiscal problem.

Mr. Watanabe's presentation, however, seemed to suggest that tax reform or a virtual collapse of the present fiscal structure are the two alternatives facing Japan in the medium term.

Mr. Watanabe argued that the country faces a simple choice: cut spending and welfare services, or raise more money. The former is virtually impossible. "If you have a better idea, I will humbly listen," he told businessmen.

The Government is alarmed at the size of the debt it has run up over the past five years, and the huge amounts needed to pay it off over the next five years and beyond. At the end of March this year, national bonds outstanding totalled Y56,000bn. The figure is expected to top Y130,000bn by the end of fiscal 1985.

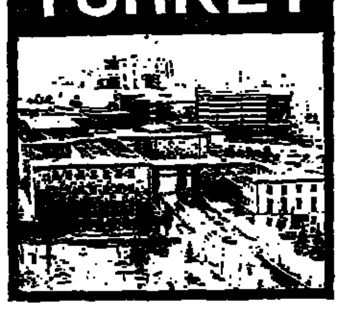
Debt servicing, this year, will amount to Y5,300bn (12 per cent of the national Budget) and jump to Y12,500bn (17 per cent of the projected Budget) in five years when the first bulge of 10-year bonds comes due for repayment.

The Government contracted the debt mostly to stimulate the economy out of the recession caused by the first oil crisis. From 1975, it has relied on national bonds to cover more than 25 per cent of Budget spending, reaching a peak of over 35 per cent last year. This is a higher ratio than in any other advanced industrialised country.

Mr. Watanabe would like to reduce the amount of bonds to be issued next year by about Y2,000bn from this year's total. If, however, the Government is going to achieve its aim of eliminating bond issues for all but public works construction in five years, taxes will have to be increased.

The Finance Ministry is trying to make a case for higher taxes by comparing the burden on the average Japanese citizen with the situation in other countries.

TURKEY



Concern but relief in Brussels

By John Wyles in Brussels

MILITARY coups can never be officially welcomed, but there was some relief here among European officials and diplomats that the overnight events in Turkey would postpone indefinitely any prospect of a Turkish application for EEC membership.

Following the re-launch of the 17-year-old EEC-Turkey Association agreement in July, the Nine had been steeling themselves for the application threatened later in the year by the Demirel Government.

Democratic institutions would be a prerequisite for membership negotiations. Turkey's generals may have spared the EEC the difficulty of having to frame a response to an application without fracturing a highly fragile relationship.

The EEC's concern to preserve what has been so painfully achieved this year was apparent yesterday when it was obvious that the European Commission had no plans to seek suspension of the Association agreement.

Banks hope for stability after the Ankara coup

BY PETER MONTAGNON

A FEELING of hope was evident among international bankers yesterday that Turkey's military coup may have opened the way to greater stability in regard as an essential prerequisite for a revitalisation of the Turkish economy.

The banks warned, however, that it could take them several weeks to assess the full implications of the coup on their relations with Turkey.

Bankers are at pains to stress that in all their discussions with Turkey they have never agreed to cancel any debts, merely to extend them. They still hope that, however long it takes, Turkey will one day be in a position to repay what it owes.

So their overriding consideration is to protect their assets in Turkey. In this respect they differ from some of Turkey's official creditors such as Germany who have also expressed concern over the preservation of democracy.

Figures from the Bank of International Settlements put Turkish debt to international banks at $2.81bn (£1.16bn) at the end of March, representing a relatively small proportion of the country's overall foreign indebtedness which amounts to some $16bn at the end of last year.

However, some bankers believe the BIS figures may understate the true position as regards the banks. Some Western officials suggested yesterday that no less than $4.8bn was owed to banks at the end of last year. The remainder of the foreign debt is understood to include about $8.2bn owed to other Governments, $2.9bn owed to supranational institutions such as the World Bank and European Investment Bank and a further $1.1bn owed to the International Monetary Fund.

Within the next three weeks Turkey had been expected to seek a further rescheduling of its debt to the banks in a package involving some $3.2bn. While it is too early to judge for certain, some bankers took the view yesterday that rescheduling negotiations might now have to be delayed to allow the situation in Turkey to settle down.

A further important factor for the banks is the question of personalities in the Turkish negotiating team. In particular Mr. Turgut Ozal, the Economy Minister in the government of Mr. Suleyman Deminel, the Prime Minister (who was detained along with his predecessor yesterday), had won a singular position of respect in the banking community and the banks will want to know soon whether he will continue as the country's chief financial negotiator.

Mr. Suleyman Demirel, the Prime Minister (left), and his predecessor Mr. Bulent Ecevit, who were both detained by the military authorities yesterday.

The banks will also be watching carefully to see whether the new military government is ready to maintain relations with the International Monetary Fund on an unchanged basis. The Fund has been a heavy lender in support of Turkey's economic stability programme.

Most bankers feel that Turkey has little option but to continue with this programme, although they would be distinctly reassured by concrete evidence that it intends to do so.

U.S. looks forward to return of democracy

BY DAVID BUCHAN IN WASHINGTON

THE U.S. ADMINISTRATION yesterday appeared to take a tolerant view of the army seizure of power in Turkey, with the State Department regretting the action but stating its reliance on the Turkish military's promise eventually to restore democratic rule.

Mr. John Trattner, the department spokesman, denied that the U.S. had advance warning of the coup itself, though he said the U.S. embassy in Ankara was informed early yesterday by a senior Turkish officer that anouncement of the seizure was imminent.

By that time the army had already seized power. President Jimmy Carter was infromed of the event while watching a performance of "Fiddler on the Roof."

Given Turkey's key strategic location on the NATO Alliance's south-eastern flank bordering the Soviet Union, any changes there are of acute interest to the U.S. But yesterday officials were confident the army take-over heralded no changes in the country's attitude towards the Western Alliance.

Turkey has borrowed very heavily from international financial institutions in the past year—$1.6bn (£666m) from the International Monetary Fund and $600m from the World Bank in project aid. Officials at the two Washington-based institutions expressed no alarm yesterday at the future of their agreements with Turkey.

But is was noted that both the IMF and the World Bank negotiations had been conducted very closely with a small number of former Prime Minister Demirel's advisers, in particular Mr. Turgut Ozal, the Under Secretary in the Prime Minister's office.

Mr. Ozal's fate will be a pointer to whether IMF and Bank relations will continue smoothly with Turkey.

Jonathan Carr adds from Bonn: The West German Finance Minister, Herr Hans Matthoefer, who recently coordinated a Western aid action for Turkey, has left open the question of whether the finance should continue to be paid to Ankara in the wake of the military takeover.

Asked whether the aid should still be handed over, Herr Mattheoefer said: "We must wait and see. Turkey was, and remains, an important Western Alliance partner."

West Germany's portion of a $1.6bn (£488m) aid package agreed by the Organisation for Economic Co-operation and Development in April amounted to DM 560m (£130.2m).

Our Athens correspondent reports: It is doubtful whether a meeting scheduled for Monday between the secretaries general of the Greek and Turkish foreign ministries to talk about Cyprus and territorial rights in the Aegean will now take place.

Hong Kong expects stronger growth

BY OUR HONG KONG CORRESPONDENT

HONG KONG will once again enjoy a year of double-digit economic growth, Sir Philip Haddon-Cave, the Financial Secretary, said in his mid-term economic report yesterday.

Speaking to the Hong Kong Society of Security Analysts, Sir Philip said the economy is growing at a faster pace than he predicted in his Budget speech in February, because the worldwide recession had not had as great an impact on Hong Kong as expected.

As a result, he said, the growth rate of total exports is likely to be 17 per cent in 1980, about twice the Budget forecast of 9 per cent, while imports should grow by 17 per cent, instead of 11 per cent. Gross Domestic Product is expected to improve by 10 per cent instead of the predicted 9 per cent.

"Contrary to what I expected in the Budget speech, the growth rate of imports apepars to be only catching up with the growth rate of imports appears rather than overtaking it," Sir Philip said, noting that the visible trade gap for the first six months narrowed slightly rather than increasing as expected.

"It is a tribute to our free-enterprise economy and, of course, is a vindication of the Government's non-interventionist stance," he said.

Sir Philip also noted that re-export trade has continued to strengthen, that investment in plant and machinery was higher than expected and that higher prices had restrained expenditure both in the public and private sectors.

Sir Philip Haddon-Cave . . . policies vindicated.

But he also warned that imported inflation is likley to rise again later this year because increases in world prices continued to be rapid, and because slippage in the value of the Hong Kong dollar is likely to cause higher import prices.

He forecast inflation for the year at 14 per cent and admitted that recent increases in the money supply are "worrying" although statistical shortcomings may have distorted the figures. Sir Philip also revised his forecast of export growth to the UK down to 4 per cent from 6 per cent, compared with growth of 18 per cent in 1979.

He attributed the expected decline to economic slowdown in the UK but said he expects a modest improvement later this year because of the strength of sterling.

U.S. troops in Egyptian exercises

By Jurek Martin, U.S. Editor, in Washington

THE UNITED STATES is to conduct limited military exercises in Egypt, beginning in November, in a test of its new Rapid Deployment Force Administration officials have disclosed here.

The Egyptian Government is understood to have given tentative approval to the U.S. request, which probably will include some joint training operations with the Egyptian army.

The Rapid Deployment Force was established by President Jimmy Carter late last year in the wake of the revolution in Iran and the Soviet invasion of Afghanistan. It is designed to provide the U.S. with the capability of swift military response in far-flung parts of the world.

About 1,400 troops are to be sent to Egypt, mostly drawn from light infantry divisions and equipped with anti-tank weapons and possibly light artillery—but no tanks. Officials said the purpose of the exercises was principally training and that the troops would stay in Egypt only a few weeks.

They rejected suggestions that the troops might find themselves serving in any new American attempt to rescue its diplomatic hostages in Iran, now in their eleventh month of captivity.

S. Africa apartheid 'working'

BY QUENTIN PEEL IN JOHANNESBURG

THE GRAND strategy of apartheid in South Africa, to reverse the flow of blacks into designated white areas and keep them in their tribal homelands, appears to be working—at least according to official statistics.

First figures to be released from the country's 1980 census show that the number of blacks living in "white" areas grew by only 13 per cent in the past decade—rather less than the population rate—whereas the numbers in the tribal homelands, or "national states," increased by an astonishing 59 per cent.

South Africa's total population grew by 27 per cent, to 23,772,000, during the decade, despite the exclusion of three "independent" homelands.

The figures suggest that the huge resettlement programme undertaken by the South African Government to remove "black spots" in white areas, and the regid enforcement of influx control to prevent jobless Africans coming to urban areas and to send those who lose their jobs back to the homelands, has proved relatively effective.

However, the extent of the reversal of the steady stream of black workers to the urban areas is likely to be exaggerated by the census, selected details of which were released at a press conference in Pretoria. The main reason is that a number of important black townships, such as Kwamashu, outside Durban, and Mdantsane, outside East London, have been reclassified since the last census and now are considered as part of their respective homelands.

The overall figures for the numbers of urban blacks in South Africa are almost certain to be understated—as they were in 1970—because of the refusal by "illegal" black workers to fill out the census forms.

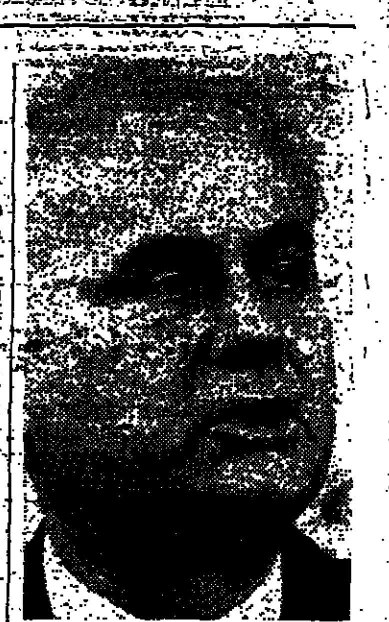
Thus Soweto, Johannesburg's huge black township complex, is now officially stated to have a population of 864,000—an increase of 43 per cent, or 262,000, over the 1970 figure—although it is generally believed that the true population is between 1m and 1.5m.

The overall figures show the white population to be an ever-decreasing minority. The white growth rate was 1.7 per cent, whereas the black rate was 2.5 per cent per year.

Our Salisbury correspondent adds: Zimbabwe's nationalist guerrillas are to be allowed to take their weapons with them when they are moved into low-cost housing areas on the outskirts of Salisbury and Bulawayo later this month, it was reported yesterday. Guerrilla commanders had opposed government proposals that their men be disarmed before entering these areas.

Up to 17,000 men from Prime Minister, Mr. Robert Mugabe's Zanla are to be moved into 2,000 low-cost homes in Chitungwitza, near Salisbury, and several thousand guerrillas from Mr. Joshua Nkomo's Zipra are to be housed at Entumbane, Bulawayo.

Aim of the plan is to defuse tension among the guerrillas at present housed in makeshift and uncomfortable ceasefire assembly camps.



Herr Matthoefer . . . squashing the rumours.

W. German currency reform denied

By Jonathan Carr in Bonn

A PUBLIC appeal to the West German political opposition to keep talk about alleged forthcoming reform of the country's currency out of the general election campaign has been made by Herr Hans Matthoefer, the West German Finance Minister.

Herr Matthoefer yesterday stressed that there was no truth in talk of such a reform. He noted that the Federal Republic was one of the world's most stable countries, that the Deutschemark was one of the hardest currencies and public sector credit intake, in relation to gross national product, was lower than in any comparable industrial nation apart from France.

Import cut 'may not aid Detroit'

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE U.S. CAR industry would not necessarily be helped by restrictions on imported vehicles, according to what may be an important study by the staff of the International Trade Commission.

The staff study, which is not binding but was prepared to assist the ITC commissioners when they examine the case for import relief next month, ascribes the plight of the car companies to the shift in consumer preference from big cars, Detroit's staple product, to smaller, fuel efficient cars, the strong suit of the importers.

Coincidentally, another federal body, the Environmental Protection Agency, yesterday isued its own annual survey of miles-per-gallon performance of cars sold in this country. Its findings, with imported cars dominating the standings for fuel efficiency, served to underline the ITC staff study.

Once again, the Volkswagen Rabbit diesel (the VW Golf model in Europe) headed the list with an average rating of 42 mpg. (The U.S. gallon is one sixth smaller than its imperial counterpart.) Of the next nine models, eight were Japanese and one was another version of the Rabbit.

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However, for the first time, three domestically produced cars topped the 30 mpg barrier, the Chevrolet Chevette the Ford Escort, and the Lincoln Mercury Lynx. The EPA added that the improvement in the fuel-efficient performance of American cars "should help their competitive position, as well as national fuel conservation

The ITC staff study, for its part, made no recommendations, though the thrust of its arguments was clear enough. It said there was no empirical evidence that curbing imports would induce Americans to buy domestic cars:

It did note that holding down imports could give the domestic industry breathing space to plan its investment in subsequent generations of models.

Poles strike over social benefits

Workers at a major ball bearings plant in southern Poland have gone on strike over the issue of social benefits which, up till now, have been administered by the official unions, Christopher Bobinski reports from Warsaw.

The strike at the FLT plant in Kielce started last Thursday when the official metalworkers' union announced that those who join the independent union would lose their rights to subsidised holidays, loans and grants in times of need.

The issue is crucial for the future of the independent unions which are now being set up throughout the country, as they have scant financial resources and cannot compete with the wide range of benefits the official unions provide.

But in Szczecin a joint committee, made up of the Government and independent unionists, has come out in favour of equal rights for all workers, regardless of the unions they join.

Iran warning

The Netherlands has urgently advised the remaining 50 or so Dutch citizens in Iran to leave the country unless it is absolutely necessary for them to stay, Charles Batchelor reports from Amsterdam. The Foreign Ministry has also advised companies sending staff to Iran to obtain safety guarantees from their local business partners.

Pinochet wins 67% backing

By Mary Helen Spooner in Santiago

THE Government of General Augusto Pinochet announced yesterday that the proposed new Chilean constitution submitted to a referendum on Thursday was passed by a more than two-thirds majority. The final vote count released by Chilean officials, out of a poll of 5.8m showed "yes" votes at 67.54 per cent and the "no" votes at 29.62 per cent. The remainder of the votes were reportedly blank.

Anger over Arms, Page 4

French urge quick fish agreement

BY DAVID WHITE IN PARIS

FRENCH AND British Ministers held talks here yesterday on the difficult fisheries' issue amid an increasing sense of urgency on the French side that an EEC policy should be under way by the end of the year.

The discussions, between M. Joel Le Theule, French Transport Minister, who is responsible for fisheries, and Mr. Peter Walker, British Minister of Agriculture, were the latest in a regular series of contacts between the two men.

On Wednesday, M. Le Theule pressed his case for speeding up discussions between the Nine in a meeting in Brussels with Mr. Finn Olav Gundelach, Farm Commissioner.

The French feel that the current calendar of talks will not be enough to overcome the problems before the New Year. The main sources of contention have been British positions on conservation and on access to UK waters.

An EEC agreement is seen as the only real solution to the bitter French fishing dispute, which is still dragging on in the country's main deep-sea fishing port of Boulogne. Although the blocking of French ports, which started a month ago, came to an end with the lifting of the last blockade at Fecamp in Normandy on Wednesday, the quarrel over manning levels on Boulogne's trawlers has remained deadlocked. The strikers were due to meet last night to consider the fleet owners' latest proposals.

Mr. Walker and M. Le Theule . . . renewed talks.

France is expected to send a memorandum to its EEC partners on Monday on the issues which have, up to now, blocked a joint policy, including the question of imports from outside the Community.

Fay Gjester adds from Oslo: Norway has informed the European Commission that it no longer feels bound to observe the catch quotas for North Sea mackerel laid down in its agreement with the EEC.

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UK NEWS

Hot rocks water energy explored

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT is planning a new programme of exploration for geothermal energy from water heated deep beneath the earth by hot rocks.

Full details of the programme will be announced within the next few weeks but Mr. David Howell, the Energy Secretary, revealed part of it yesterday when he said the Government will spend more than £2m sinking a 12,000-foot borehole near Larne, County Antrim, Northern Ireland. The work will be carried out in 1981.

Britain's first attempt to tap geothermal energy was an experimental borehole drilled at Marchwood, near Southampton. It discovered a well containing natural hot water to heat 1,000 homes for several decades.

Announcing the results of that experiment, Mr. John Moore, under-secretary of state at the Energy Department, said that geothermal heat might eventually prove a useful *alternative to conventional fuels* in heating offices and homes, though its use in Britain would be limited by the amount of geothermal water in the country's rock structure.

A use is still being sought for the Marchwood water. Geothermal energy is an entirely new technology for Britain. It has long been used in Italy to produce electricity and in Hungary to heat buildings.

The exploration plan forms part of a wider Government programme into alternative energy sources

Telephone engineer Roger Lorenz arrives by boat to keep the Scilly Isles in touch with the mainland. Each new subscriber, each cable fault, means a boat trip for Roger or his partner Bill Turner. There are now 1,018 telephones for 2,000 permanent residents.

Investors unveil 3-D camera for consumer market

BY NICHOLAS COLCHESTER

THE NIMSLO System of three-dimensional photography, in which UK institutions have invested £10.1m and the Government £2.7m in grants was unveiled yesterday at the Photokina photographic fair in Cologne.

Dr. Jerry Nims, and his Chinese partner, Mr. Allen Lo, claimed before a packed conference that their Nimslo System "marked the third milestone in the development of photography," after George Eastman's invention of popular photography and Polaroid's breakthrough with the instant picture.

This assertion was embodied in a small 35mm camera, with four lenses set in a horizontal line.

The automatic camera will be manufactured in Dundee, Scotland, by Timex Corporation, the U.S. watch and camera manufacturing company. It will be on the market for the first time next summer in the south-eastern U.S. and will sell for less than $200.

The three-dimensional photographs — on whose mass appeal the success of the project now depends—were displayed somewhat tantalisingly behind glass in Cologne.

They resemble plastic-coated 3-D picture postcards, but are a marked improvement, being less disturbing to look at and giving a more realistic impression of depth. Thickness and detail are similar to a normal colour print.

Mr. Steve Bostic, chief operating officer of the Nimslo group of companies, said the group hoped to capture three to five per cent of the consumer photographic market in Europe and North America by 1985.

Although the initial push would be in the consumer market, Nimslo intended to develop the principle in *industrial photography, X-ray photography*, microscopy, films and television he said.

In 1978, after experimenting for eight years with different ways of improving upon the unsatisfactory 3-D post-card, Dr. Nims and Mr. Lo were prompted by Mr. Graham Dowson, a former chief executive of the Rank Organisation, to seek £3m of finance in London.

Their technical arguments seemed, and still seem, somewhat obscure, but their product—at that time in the form of *advertising display photographs*—was sufficiently convincing to win support from UK investing institutions.

In the spring of 1979, one year after the initial capital was raised, the project received a major stimulus, when Timex in Scotland emerged as a possible sub-contractor to make the 3-D camera.

This liaison greatly increased the scope of the venture, and also created a need for additional finance. Barings and Carr Sebag raised an additional *£7.1m for Nimslo in May.*

The Photokina presentation is the first public display of tangible results of this venture capital investment.

Gelatine investment worth £8m

R. P. SCHERER, of the U.S., which recently purchased a gelatin encapsulation plant from P. Leiner & Sons, the bankrupt South Wales gelatine manufacturer, is to invest more than £8m in a factory for its UK subsidiary at Swindon, Wiltshire.

The plant, which will make elastic gelatine capsules will replace Scherer's capsule manufacturing facility at Slough, which is to close with the loss of 220 jobs.

At Swindon, it expects to employ 200, rising to 300.

Scherer, which has a major share of the market for gelatine capsules used extensively by the pharmaceutical industry, is expecting vigorous growth in export sales from £7m forecast this year to £20m in five years' time. Exports account for one-third of the company's business.

R. P. Scherer, the UK company exports about a third of its products mainly to Scandinavia and Africa.

The U.S. parent company, of Troy, Michigan, is the world's *largest manufacturer of the* capsules, with total annual sales of more than $140m (£156m).

Precise specifications are involved, dictated by the increased potency of modern drugs and the need to protect them from air through encapsulation, and from light by means of pigments in the capsules.

Mr. James S. Ludwick, executive vice president of the Scherer Corporation, said at the start of building operations yesterday: "This is the biggest investment ever made by the company, exceeding the cost of new plants in Florida and Japan."

Scherer purchased Leiner's encapsulation plant a few weeks ago at a price understood to be around £600,000, from the Receiver. Leiner crashed into bankruptcy last February amidst considerable controversy and losses running into millions of pounds.

Council fights docklands move

BY ROBIN PAULEY

THE LONDON Borough of Tower Hamlets is launching a plan to involve local people in planning the future of the Isle of Dogs in the heart of the city's derelict docklands.

The move is to try to counter two Government initiatives which will take a large section of the area effectively out of local control.

Tower Hamlets council feels the creation of a docklands urban development corporation with wide-ranging powers and the establishment of an enterprise zone with special benefits for commerce and industry make it essential that a new land use plan is prepared as quickly as possible.

The urgency is further underlined by the announcement that the Port of London Authority is closing the West India and Millwall docks, releasing 171 hectares of land and water—about half the total Isle of Dogs area—for *development.*

A consultation report outlining options for the area inside the enclosed docks has been published by the council. They are based on housing and open space, industrial and commercial development or a mixture of the two.

The council, which favours the latter option, has planned a series of public discussion meetings and has invited comments from all local residents, businesses and organisations as part of its wish to consult as widely as possible.

"Long delays and blight while plans are drawn up should be avoided at all costs," the report says.

The Labour-controlled authority is opposed to the Government's plans for an enterprise zone and an urban development corporation in docklands, neither of which will take effect before the enabling legislation in the Local Government Planning and Land (No. 2) Bill reaches the statute book towards the end of this year.

A statement from the council yesterday said: "The council is opposed to the setting up of a UDC because it is unnecessary and undemocratic.

"There is a strong case for it to be guided by a plan for the Isle of Dogs based on public consultation."

Safety committee formed

Financial Times Reporter

AN ADVISORY committee for the health services has been set up by the Health and Safety Commission.

It is the ninth of a number of industry advisory committees which the commission is setting up to encourage employees and employers to participate in improving health and safety at work.

The committee will advise on the protection of people from hazards arising from their work in the health services, including dental services, general practice and professions supplementary to medicine. Occupational health services in other areas of employment will be excluded.

Its members represent the medical and nursing professions and unions, and area and regional health authorities.

Faroes ferry

THE FIRST regular, all-year ferry service to link Scotland, the Faroe Islands, Denmark and Norway is to start next month.

The motor ferry Smyril, 2,430 grt, is to sail on October 1 from Torshavn in the Faroes on a week-long round trip calling at Aberdeen, Hantsholm in Denmark, and Bergen and Stavanger in Norway. It can carry 500 passengers and 110 cars.

P and O Ferries has been *appointed the agent in* Britain.

Lewis sales up

THE John Lewis department store group yesterday reported an improved trading performance last week with sales about 17 per cent above the same week last year. It also announced that it was to acquire next February the Lewis's store in Bristol. Lewis's is part of Sears Holdings.

Atkins to speak on Ulster

THE ANNUAL conference of the British-Irish Association at Oxford University this weekend will concentrate on Ulster's economic and political problems.

Mr. Humphrey Atkins, Secretary of State for Northern Ireland, is expected to talk about his plans for devolution.

The non-profit making association, supported by companies including Guinness and by private institutions, has also invited Dr. Conor Cruise O'Brien, editor-in-chief of the Observer, Mr. Brian Lenihan, the Irish Foreign Minister, Mr. John Hume, leader of Northern Ireland's main Catholic group, the Social and Democratic Labour Party, and Mr. Paddy Harte, chief Opposition spokesman in Dublin on foreign affairs.

Access card to be redesigned

Financial Times Reporter

The design of the Access credit card is to be changed to try and overcome confusion over its acceptability abroad, as well as the acceptability in the UK of its sister cards, Mastercard and Eurocard.

Access has agreements with the Mastercard and Eurocard organisations under which each card is acceptable in other's area of influence. However, problems have arisen because the cards are of different design.

Complete alignment is still prevented by lack of international agreement

Mastercard is the new name for the Mastercharge card issued by the Interbank group based in the U.S. This is one of the two major international payment card organisations. The other is Visa, to which Barclaycard belongs.

There has been speculation for some time of a complete link-up between Interbank and Eurocheque, but co-operation is limited to the incorporation of the other's symbol on each card.

Shun monetarism, Benn urges U.S.

BY PHILIP RAWSTORNE

THE BRITISH Government's monetary policies were deepening the slump and inflicting permanent damage on the country's industrial base, Mr. Anthony Wedgwood Benn told a seminar in Williamstown, Massachusetts yesterday.

Mr. Benn, who is to receive an honorary degree from Williams College today, urged U.S. voters to reject similar policies.

"Never since the Middle Ages when it was the custom to bleed sick people by the application of leeches, has such a damaging remedy been applied," he said.

Monetarism was not an economic policy but a political strategy to widen inequality and transfer power from elected Governments to the financial community.

"Political freedom and Parliamentary democracy came into existence to protect people from market forces, not to disarm them and hand them over to the mercy of uncontrolled and unaccountable economic power."

Mr. Benn said monetarism created higher unemployment, reduced real wages, cut social welfare, depressed the market for industrial goods, and lowered investment.

"The use of mass unemployment as a deliberate instrument of Government policy is wasteful of real resources and is socially divise." He said the people of the world would not accept a future dictated either by unrestrained market forces or by centralised state communism.

"People want a combination of full employment, political freedom and social justice, which neither unrestricted capitalism nor state communism *appear to be able to offer.*"

"The only alternative to monetarism is to plan our trade and industry to restore full employment and share the benefits of the new technology in shorter hours, greater leisure and expanded public provision."

● Mr. John Silkin, Labour spokesman on industry, said last night that it was vital that life assurance and pension funds should be used to boost industrial investment, as should oil revenues.

No U-turns, insists Jenkin

Financial Times Reporter

THE Government was determined to win the battle against inflation, Mr. Patrick Jenkin, Social Services Secretary, said in Edinburgh yesterday.

"Inflation is an acid which corrodes the very fabric of society," he said.

"It must and will be defeated, and that is the Government's prime aim.

"We are asked to do a U-turn and abandon the hard high road for softer pastures. There are no U-turns on offer.

"We were elected to put this country back on the road to prosperity and we will not be deflected from that task."

Mr. Jenkin attacked the "folly" of trade unions who though they could improve their conditions by strikes.

"It really is time that some people learned the truth. Unions cannot make their members rich by downing tools and demanding more bank notes.

"The only jobs that are created by strikes are jobs in other countries."

Grant cuts hit home insulation

Andrew Taylor looks at the effect of Government policies on the insulation industry

PEOPLE seeking Government grants to cover the cost of installing loft insulation may be out of luck this year as a result of a series of cost-cutting measures which have left the home insulation industry in disarray.

Eurisol, which represents British manufacturers of insulating fibres, says that some local authorities have already allocated all the money available to them for private sector grants in 1980/81.

This follows a Government decision to cut by a third the amount of money to be made available for home insulation grants in the present financial year. It says that out of the £25m allocated for grants in 1979/80 only £14m was actually taken up.

This year only £12.5m has been made available plus a further £4.2m as part of special scheme to help low income elderly.

Eurosil said yesterday that the substtantial variation in demand fo rgrants had not been recognised in making the cut back between different areas.

Some councils had, in fact, faced exces demand last year and these authorities were now facing great difficulties as a result of their individual budgets being reduced as part of a general cutback.

These authorities were embarrassingly short of available funds just as the main early autumn season for loft installations was to begin.

More serious for the insulation industry has been the sharp drop in local authority spending this year on council house energy-saving schemes. Again, Government policy has been blamed.

Leading manufacturers of man-made insulating fibres like Pilkington and Cape Industries say that substantial amounts of business have been lost not just as a result of spending cuts but also by changes in the system of funding local authority housing investment programmes.

In previous years separate sums have been allocated specifically for local authority loft insulation and draught-proofing schemes. From this year individual councils have been allocated a total sum to cover all aspects of housing investment programmes to be spent as individual authorities see fit.

Manufacturers of insulating materials say that sales to local authorities have dropped substantially this year despite a recommendation from the Department of Environment that priority be given to home improvement schemes.

Last year local authorities spent around £29m on loft insulation and draught-proofing of council houses. This year spending by local authorities could be around £8m according to Cape Insulation Services the installation and contracting arm of Cape Industries insulation business.

So far this year Cape Insulation Services has laid off almost 300 workers—190 of whom, says the company, as the direct result of Government-induced cost-cutting measures.

"We are fortunate that we are cushioned to some extent by our other activities but a number of small specialist insulation contractors are in deep trouble," said a spokesman.

There have also been redundancies among manufacturers of insulating materials which report that sales during the first eight months of this year are almost 40 per cent down on the same stage last year.

The manufacturers are particularly bitter as they have invested heavily in new plant over the past three years in order to meet the demands of the previous Government's *energy-saving campaign which* prompted the home insulation Act in 1978.

Eurisol says that since 1977 when the present 10-year programme was announced by the then Secretary of State for Energy, Mr. Anthony Wedgwood Benn, the manufacturing capacity of the industry has increased by almost 70 per cent.

It was in response to the Government's energy saving programme that two new firms Rockwool—in which BP has a significant stake—and Gyproc Glass Fibre Insulation—started fibre insulation manufacturing operations while other companies like Pilkington have spent heavily on new plant to increase capacity to meet rising demand for their products in the 1980s.

What has particularly incensed the industry is that the present Government when in opposition supported these policies "only to remove the financial wherewithal to carry them out when in power."

At the same time as public money available for residential insulation work has been cut back the Government has also withdrawn grants for industrial insulation schemes.

These measures at a time of recession in the building industry are placing increasing strains on the insulation fibre industry which had committed itself for a period of further growth in sales demand.

Fewer noisy night flights planned

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT may decide to phase out night movements at UK airports by the noisier types of jet airliners faster than planned.

The present plan is to cut the number of such movements at Heathrow at a rate of about 400 a year, from 1,600 movements this summer and 1,400 next winter. By 1987, there are to be no such movements by the noisier jets at all.

The noisier jets are those older types of aircraft which do no meet the low noise levels required to win a "noise certificase" from the Civil Aviation Authority. In this category are 707s, early model Tridents and DC-8 jets, many of which are ageing.

But in the light of the results of a study into the effect of aircraft noise on sleep disturbance, the Government is seeking the views of interested parties to find out whether phasing out the noisier jets should be hastened.

The report, Aircraft Noise and Sleep Disturbance, prepared by the Civil Aviation Authority for the Department of Trade, provides a scientific basis for decisions on night jet limitations at airports.

The results of the study indicate not only that prolonged aircraft noise can be a cause of sleep disturbance, but also that the current policy on restricting night jet movements at Heathrow and Gatwick has been "broadly sensible."

Writing to local MPs and the various airport consultative committees, Mr. Norman Tebbitt, Parliamentary Under Secretary for Trade, has drawn attention to the absence in the report of suggestions of major changes to protect the night environment.

He argues that the report does not support either the complete closure of the airports at night (by banning movements of "quiet" jets also—those with "noise certificates"), or the complete abandoment of restrictions on movements by the quieter aircraft. The latter include the new European Airbus, the Lockheed TriStar and the McDonnell Douglas DC-10 wide-bodied airliners.

Mr. Tebbitt has suggested that an increase in the permitted number of movements by the quieter aircraft may even be justified, and that this could be offset by tightening the controls on the noisiest jet movements.

But he stresses that it is his aim to ensure that all movements by the noisier jets are phased out by 1987.

Those being consulted are asked to comment within the next two months so that the final decision can be announced early in the New Year, in time for the airlines to plan their operations for the 1981-82 winter season which starts on November 1, 1981.

Aircraft Noise and Sleep Disturbance: final report. Directorate of Operational Research and Analysis, Chief Scientists' Division. Civil Aviation Authority, £3.50.

UK NEWS

Give picket code full legal status, group urges

By John Lloyd, Labour Correspondent

FUTURE legislation should create an offence of "unlawful picketing," according to a report from the research group, the Centre for Policy Studies.

The contents of the report, published yesterday, have already been the subject of conversations between its authors and other officials from the centre, and Mr. James Prior, the Employment Secretary.

Mr. Paul McCormick, the acting chairman of the committee which produced the report, said that the draft picketing code, published by the Government last month, was "85 per cent based on the committee's recommendations."

The draft code on picketing does not have the force of law, but is meant to be "borne in mind" by the police and the judiciary when dealing with pickets.

While the centre is independent of the Government and of the Conservative Party, its founders are the Prime Minister and Sir Keith Joseph, the Industry Secretary; and Mrs. Thatcher has referred to its crucial role in the formulation of Tory policy.

The report recommends that lawful picketing should be closely defined by statute, and that all picketing which stepped outside of that definition should be unlawful.

It also recommends that a picket would be unlawful if:

- It comprised more than six persons at any given access point
- It did not have a picket organiser who had registered with the police and issued armbands
- Its members threatened, obstructed or forcibly detained any non-striker
- It occured at premises other than those of the workplace at which the pickets worked prior to the dispute.

The penalties recommended for a breach of picketing regulations would be a maximum of £300 fine or 200 hours community service for a first offence, and six months imprisonment for a subsequent offence.

The report says: "The penalties are designed not to be draconian but to have an impact on the individual transgressor in a way that fines alone do not. They are also designed to deal with the persistent troublemaker."

Crane drivers' strike likely to hit construction sites

BY GARETH GRIFFITHS

A NATIONAL crane drivers' strike started yesterday. It is likely to affect most large-scale construction projects including the Thames Barrier and the Isle of Grain power station.

The dispute involves between 3,000 and 4,000 crane drivers, members of the construction section of the Amalgamated Union of Engineering Workers and who are employed by member companies of the Contractors' Plant Association. The strike is in protest against the suspension or dismissal this week of crane drivers in the North-East of England.

Several hundred people were either laid off, suspended or on strike at contractors' depots in the North-East following a union overtime ban. The ban was imposed after an employers' pay offer which changed maintenance payments for the crane drivers.

The AUEW claim was for a minimum hourly payment of £2.20 for a skilled crane driver. The CPA offered the payment but insisted that the crane drivers' maintenance payments should be reduced from one hour's pay per day to £1 a day. The guaranteed minimum bonus would also be abolished. A settlement was due on August 1.

Union officials yesterday stressed that the strike was over the suspension or sacking of union members rather than the pay offer. The claim is worth about 24 per cent and the offer about 15 per cent.

The AUEW construction section executive told the CPA on Wednesday that all employees laid off or on strike should be reinstated immediately, that the people should be allowed to continue the overtime ban, that the crane drivers should be paid for the time they had been out of work, and that all the depots closed down should be reopened.

Power stations will be among the sites hit, but the AUEW is not asking its other members to join the dispute yet. There were indications that the union would call out other members, such as steel erectors, at a later stage.

The CPA has about 200 member-companies which employ crane drivers. Drivers engaged on a non-contract basis are not affected, and the association expects many others to ignore the strike call.

There has already been industrial action by crane drivers this week in the Doncaster, Scunthorpe, Teesside and Cardiff areas over the crane hire companies' approach to the overtime ban.

Docks action still threatened

BY PAULINE CLARK, LABOUR STAFF

A NATIONAL docks strike over redundant dockers in Liverpool appeared still to be in prospect last night after employers in the port decided to postpone rather than drop plans to take the dockers off their register.

A meeting of the Liverpool Port Employers' Association yesterday also delivered a hard-hitting attack on the National Dock Labour Board which last Thursday described plans to sack 180 dockers in the port as "unacceptable."

In a statement after a special meeting, the association said the board has "failed to face up to its responsibility" to reduce surplus dock labour.

"The NDLB's recommendation is clearly based on a concern to avoid a national dock strike regardless of the long-term effects on the Port of Liverpool."

The association has, however, decided to postpone until September 30 redundancies originally planned for next week in the hope that higher severance pay will attract enough voluntary redundancies to solve the immediate problem.

Dock leaders in the Transport and General Workers' Union, representing dockers in all Britain's major ports, are to meet on Monday to decide whether to call a strike.

Although the employers' decision could delay any plans for action, the dockers have been asking for a total retraction of the Liverpool employers' threat to place the redundant dockers on a temporary unattached register. Any decision short of this must leave open the prospect of a continuing threat of strike action.

First reactions to the employers' decision are expected from a mass meeting of Liverpool dockers on Sunday.

The dock leaders are to discuss the position of 170 dockers employed by the Merseyside stevedoring company T. and J. Harrison, who have been told they will lose thier jobs on September 30 and 10 more employed by Bulk Cargo Handling Services who were until yesterday expecting to lose their jobs next Tuesday.

£12m grant to improve hostels

BY JAMES McDONALD

SIX MEASURES to improve hostel acommodation, including a £12m allocation to the Housing Corporation for hostels in 1981-1982, were announced in Sheffield yesterday by Mr. John Stanley, Minister for Housing and Construction in the Environment Department.

"Double scrutiny" of individual housing association projects funded by the Corporation is to end on April 1 next year. From that date only the Corporation will be responsible on a day-to-day basis for the approval, scrutiny and control of individual projects.

Mr. Stanley told the annual conference of the National Federation of Housing Associations: "In future, the responsibilities of the Department will be limited to the setting of priorities; deciding on the total sum for housing association expenditure each year; the broad policy on costs and standards; the procedures which the Corporation, as the Department's agent, should use for scheme scrutiny; and the financial approval of the Corporation's programme for housing association investment each year."

On hostels, the Minister said that housing associations will now be given consent to acquire dwellings in satisfactory condition if they are to be used as hostels for special needs, and if they resulted in significantly increased utilisation.

Consett consortium contacts BSC

By Hazel Duffy, Industrial Correspondent

THE CONSORTIUM believed to be interested in the Consett steelworks has finally contacted the British Steel Corporation. A letter arrived yesterday as most of the Consett workforce reported for their last shift. The plant closes today.

The letter was signed by two representatives of the consortium — Mr. John Carney, from Durham University, and Mr. Christopher Logan, from Logica management consultants.

Efforts by BSC to contact the representatives yesterday were unsuccessful. Meanwhile, BSC has agreed to keep the furnaces at Consett alight in case there is a positive development from the consortium. This is expensive and it is unlikely that BSC will continue to do so for long.

Consett workers had their own views yesterday on the consortium, which has not so far publically identified itself.

Mr. Ray Thompson, leader of the craft unions, said: "I wish they would shut up and go away. I think they have caused people a great deal of confusion and agony.

"If they were serious people of some substance, they should have indicated it in a clearer manner, instead of allowing people to clutch at shadows."

The Department of Industry, which has met the consortium's representatives twice in the past fortnight, has been given the identity of some of the members. It is understood that some are BSC customers anxious to avoid being named in case they are unsuccessful.

The cost to BSC of closing Consett is around £35m, to be paid in redundancy money to the 3,700 workforce. BSC would probably expect the consortium to take over this responsibility if the expression of interest is taken further, adding substantially to any price BSC might put on the steelworks.

BSC says it has 1m tonnes overcapacity of steel billets. If Consett did not close, some other part of the Corporation would have to close. Any private sector takeover would therefore add to BSC's market place problems.

Because of the extreme social hardship represented by the closure of Consett, however, BSC has agreed to look at any private interest.

Ayrshire Marine closes rig yard

BY JOHN LLOYD AND MARTIN DICKSON

AYRSHIRE MARINE Constructors yesterday paid off the 900 hourly paid workers at its Hunterston yard on the Firth of Clyde.

The closure could mean further serious delays in the development of Phillips Petroleum's Maureen oilfield, which is already believed to be about a year behind schedule.

The yard has been building the steel sub-structure for the field's platform which Phillips originally hoped would be complete by next spring, with the field coming on stream in 1982.

Even before the closure it was clear that this timetable would not be met. Construction delays at the yard meant that even under favourable conditions oil was unlikely to flow before 1983.

Phillips, which is operator for the field, with a 33 per cent equity stake, yesterday refused to comment. But it had already threatened to take the work elsewhere—which would mean further months of delay.

Work on the deck of the platform, being built at the Howard Doris yard at Loch Kishort, is reported to be on schedule. The plan is to link it to the substructure at an inshore site near the Loch, rather than the more usual offshore operation.

The Maureen field, which lies about 160 miles north east of Aberdeen, is one of the smaller North Sea fields, with recoverable resrves estimated at between 140m and 160m barrels.

Its problems underline the difficulty of sticking to firm North Sea production schedules—one reason why the Government announced in June that it would be adopting a flexible policy on oil depletion—the rate at which offshore reserves are extracted.

The shop stewards' committee at Hunterston, which met yesterday, said it would do its utmost to save the threatened jobs. Picketing continued throughout the day.

Mr. Ken Baker, national officer of the General and Municipal Workers Union, said Chicago Bridge and Iron, the American owners, were likely to respond next week to union requests to keep the yard open. The company's formal position remained that the yard would close, he said.

Work on the Phillips platform has been halted for the past two weeks because of a dispute over aleged management breaches of health and safety regulations.

Mr. Baker and Mr. James Murray, general secretary elect of the Boilermakers Union, met representatives of Chicago Bridge and Iron in London earlier this week to present a three-point plan for better industrial relations at Hunterston.

The company had earlier isued a statement detailing aleged bad work practices, which shop stewards wanted withdrawn.

- A strike by Norwegian seamen in July and August has hit the development programme for the Fulmar field, where Shell is operator.

Heseltine asked to save City school of music

BY JAMES McDONALD

THE CONSERVATION group Save Britain's Heritage (SAVE) has asked Mr. Michael Heseltine, the Environment Secretary, to list the Guildhall School of Music, just off Fleet Street, which is threatened if office development proposals by Trafalgar House Developments and Wimpey Property Holdings receive planning permission from the City Corporation.

It was the Trafalgar House group which caused an uproar among conservationists last month by demolishing the Firestone "art deco" factory on the Great West Road just as the Environment Department and the local council were considering having it listed.

Extensive quantities of stone carving of outstanding quality are at risk if the two companies' projects go ahead as planned, says SAVE. The office development would be on the site of the Guildhall School of Music, and the larger part of the City of London Boys School.

The Guildhall School of Music was designed in stages between 1885 and 1897, with the earlier part fronting Tallis Street designed by Sir Horace Jones—City Architect and joint architect of Tower Bridge and of the recently listed Billingsgate Market. The quality of the stone carving, says SAVE, "deserves comparison with the work of Grinling Gibbons and his school on St. Paul's Cathedral, two centuries earlier."

SAVE has also written to the chairman of Trafalgar House and Wimpey and to the owners of the site, the City of London.

Buxted will close two poultry plants

By Robin Reeves

BUXTED POULTRY, an Imperial Group subsidiary, said yesterday that it would close two plants, in Wales and Norfolk, with 532 redundancies.

The company blames poor summer demand which it says has cut domestic sales by 5-10 per cent, higher imports and lower exports because of the strong pound.

About 300 jobs will be lost under the closure plan at Pembray, Dyfed, where boiler farms, hatchery, garage and processing plant, taken over from J. B. Eastwood about two years ago, will close.

More than 200 jobs will be lost at Attleborough, Norfolk, where the company is closing a processing factory and garage.

MARSHALL'S, a Scottish poultry producer, has closed its poultry plant at Cambuslang, near Glasgow.

Clayton Aniline, the Manchester dyestuffs manufacturer, will lay off its 1,300 workers from mid-November until January because of the recession.

ICI's organics division, another major dyestuffs producer, said it had been advancing routine maintenance closures to counter weak trading.

ERF, the lorry maker, is trimming its workforce at Sandbach, Cheshire, by 98, after a similar reduction last month. From Monday the 300 technical and clerical staff will work a two-day instead of a three-day week.

RYLANDS-WHITECROSS, a Warrington wire manufacturer, will cut 175 jobs at two plants.

COURTAULDS' Campsie factory, near Londonderry, with 300 workers, is expected to go on to short time soon.

RALEIGH CYCLES are to close two assembly plants within three months because of the slump in overseas sales. Trowell, near Nottingham, and Handsforth, Birmingham, employ 270.

JCB, earth moving vehicle manufacturer, at Rocester, Staffs., said that 135 production workers were to lose their jobs.

LUCAS ELECTRICAL, which is shedding 3,000 jobs, has opened talks with unions for a further cut in porduction. The company said last night that since it called in June for a reduction in the 12,000 workers the position had deteriorated.

LUCAS GIRLING, the brakes and suspension company is negotiating with unions representing the 7,600 at seven plants to cut production from next month by between 20 and 30 per cent. It hopes to avoid compulsory redundancies.

THE LIBERALS AT BLACKPOOL

'Attempt to kill small parties'

LIBERAL LEADERS believe the Government plans to increase the deposit for Parliamentary candidates from £250 to £1,000.

They also believe that the proportion of the vote required to save the deposit will be reduced from 12½ per cent to 10 per cent.

Mr. Hugh Jones, secretary general of the party, claimed that the move, which is still under discussion, was a deliberate attempt to wipe out the Liberals and other smaller parties.

At the last General Election, the Liberals lost 303 deposits at a cost £45,450. If the proportion of the vote required were cut to 10 per cent, they would have lost 179 deposits.

Liberal leaders, who are in discussion with Home Office Ministers, argue that the level should be reduced to 7½ per cent. This would be much fairer on minority parties, they claim, while acting as a deterrent to frivolous candidates.

But at 10 per cent, party officials believe that the Liberals could afford to lose only half the deposits forfeited at the last General Election. They would therefore have no option but to field far fewer candidates.

Mr. Jones said on ITN yesterday that the Liberal Party had always argued that the financial deposit required was an affront to democracy and was not a system used in any other Western European country apart from France and Ireland.

Economic debate at next assembly

TO THE surprise of many delegates, the assembly ended with no discussion of the party's economic strategy.

Mr. William Wallace, chairman of the Economic Strategy Commission, promised a full-dress debate at next year's assembly at Harrogate.

This will be based on a report prepared by Mr. John Pardoe, who, until his defeat at the general election last year, was the party's spokesman on economic affairs in the Commons.

Social democrats could join coalition 'on our terms'

Steel foresees Party leading next government

THE POSSIBILITY of a Liberal-led Government formed after the next general election with the support of "progressive allies" from the Labour Party was held out yesterday by Mr. David Steel, the Liberal leader, in his keynote address to the party's assembly in Blackpool.

"I foresee a Liberal vote so massive and the number of Liberal MPs so great that we shall hold the initiative in the new Parliament," he said.

"No government will be formed without us. I know that many unhappy MPs in the other parties will be ready to ally themselves with us, once that moment comes."

At the same time, Mr. Steel made it clear that Jenkinsites or any other social democrats from the Labour Party would have to accept Liberal terms for such a coalition.

"To all those of whatever persuasion who share our analysis, we should wish success in their courageous efforts to break up the monoliths of the old parties," he told his supporters.

"But they should also know that, without Liberal leadership, a Liberal agenda and Liberal commitment, their efforts are doomed. The trail of British politics is littered with the skeletons of well-intentioned breakaway groups who tried to go it alone.

"With us they could make a formidable contribution. Without us, they will fail."

If the party could grasp the political initiative, Mr. Steel believed, the next general election could see the end of the old politics and the beginning of the new.

"Liberals and their progressive allies would come together to form what the country has

Reports by John Hunt, Ivor Owen and Richard Evans

needed for so long—a Liberal-led government, a government of partnership and reconciliation."

Such an administration would judge greatness not in terms of selfish and superficial wealth, but in terms of education, compassion, health and harmony in industrial life. By the time of the next general election, the Liberal Party had to give the people the chance to elect "a great government of national reform."

He urged members of other parties to break away from the past and join the Liberals. But—to those Liberals who were suspicious of a liaison with social democrats from the Labour Party—he cautioned against behaving like an exclusive club.

The party had to give a lead in a "broad radical movement." Many of those who would want to join the Liberals would have supported other parties in the past and would have trodden the path of disillusion.

"It is up to us to give them hope and the welcome to go with it," he said.

Long-term success for Britain depended on fundamental policy changes and on stopping the frantic swing between desperate extremes.

Mr. Steel concentrated much of his speech on attacking Mrs. Thatcher and pinning personal responsibility on her for the economic situation.

He outlined an immediate six-point Liberal programme to cut unemployment and revive the "sick" economy without feeding inflation. This was to:

- Increase public investment to improve basic industrial infrastructure.
- Cut the level of the pound by reducing minimum lending rate and helping business by introducing a two-tier interest rate.
- Cut employers' National Insurance contribution for all those under 21, and expand training programmes.
- Start a "Buy British" campaign and have clear markings of country of origin.
- Introduce a sustained prices-and-incomes policy and profit-sharing schemes.

Terry Kirk

David Steel: government of partnership.

- Construct plants in local authority areas to recycle and re-use waste materials.

Mr. Steel conceded that this programme would requires government expenditure. But it would be less wasteful than spending £8bn on 2m unemployed.

Labour Party policy came in for scathing crticism from the Liberal leader. He predicted that the Left would not further entrench itself at the Labour conference in two weeks. He thought there would be a fudged compromise allowing the Left to continue its attempts to control the party, while those of "tender conscience" would remain in it in the hope of obtaining office in the next Labour government.

Turning to the Tories, he hinted that they should ditch Mrs. Thatcher. They should change economic course "even if it meant dropping the pilot."

Delegates warn on danger of chasing political shadows

MR. DAVID STEEL'S takeover bid for the leadership of any new centrist political grouping mirrored the views of delegates who spoke earlier in the day.

Debates ostensibly about the reform of local government and on the party's philosophy and values were punctuated with warnings to Mr. Steel not to chase political shadows.

Repeatedly the message from the floor to the platform was: be ready to welcome all new recruits but stop wooing Mr. Roy Jenkins and other possible Labour defectors.

A highly prized Tory convert, Mr. Aubrey Jones, the former Cabinet Minister and chairman of the Prices and Incomes Board, quickly caught the mood of most delegates in his first speech at a Liberal Assembly.

He argued that those who wanted the benefit of Liberal support should be ready to demonstrate that they were acting on the basis of principle and not political expediency.

Mr. Jones casually explained that he had been unable to attend the fringe meeting earlier in the week addressed by Mr. David Marquand, the former Labour MP, who was identified by man delegates as an emissary from Mr. Jenkins.

He was equally unenthusiastic about Labour's so-called "gang of three"—Mrs. Shirley Williams, Dr. David Owen and Mr. William Rodgers.

Mr. Jones commented amid cheers: "I have read their document and to this day I await enlightenment."

Earlier, the Liberal leader was given a blunt warning that there would be opposition from the party's grass roots if he sought an alliance with any new centre grouping.

... It was delivered by Mr. Trevor Jones, chairman of the Association of Liberal Councillors, who unsuccessfully contested Dorsete West in 1979.

With support from other delegates, he argued that the party was poised to make a significant breakthrough at the next election, and did not need to become entangled in any new political pacts or deals.

Mr. Jones said the continuing success of Liberal candidates in local government elections was edivednce of the party's improving electoral prospects up and down the country.

In underlining that the Liberals had the opportunities for achieving significant electoral success in most parts of the country, Mr. Jones too a side-swipe at those leading members of the party who have recently been courting Mr. Roy Jenkins prior to his return to British politics. He steps down from the Presidency of the EEC Commission at the end of the year.

Liberal supporters at the grass roots had been busy creating these opportunities, he said, while others had been drinking claret in Brussels.

He declared: "We have been building our support from the bottom and it is not possible in a democracy to inflict a new party on a country from the top."

Mr. Jones contended that anyone who thought that the Liberals, who had been working so hard at local level, had done so for the benefit of Mr. Jenkins or other Labour defectors, such as Mr. William Rodgers, must be "off his chump."

Energy panel chief resigns after call to scrap N-plants

MR. IAN ROXBURGH, chairman of the Liberal Party energy panel, yesterday resigned his post in protest when the conference approved an amendment calling for the scrapping of all nuclear power stations.

After announcing his resignation from the rostrum, he said: "This result is disastrous. I don't think a coherent policy can be based on this assumption.

"I hope we can get back to a more sensible policy, but I just don't know."

In recent years the party has had a strong anti-nuclear lobby. In 1977 the Liberal Conference adopted the policy that no more nuclear power stations should be built until the problem of the safe disposal of nuclear waste had been solved.

But yesterday's amendment goes much further than this. It calls for a halt to the building of nuclear power stations and says that existing ones and those under construction should be phased out as soon as possible.

This was added to an official motion which stressed that conservation and more efficient use of energy must be the major policy priority.

Delegates rejected a rival amendment calling for a limited programme of nuclear power station construction to ensure a viable nuclear power industry.

Also defeated was a demand that an increased proportion of electricity should be produced by nuclear power.

Mr. Paul Ryder, chairman of the Devon Liberal Party, urged delegates to vote for the scrapping of nuclear power stations.

If the technological problems associated with them could not be solved, then there was no point having a nuclear programme at all, he said.

Mr. Dave Cox, of Ruislip and Northwood, stressed the heavy security vetting associated with nuclear plants and warned "the expansion of the nuclear power industry is inconsistent with Liberal principles of civil liberty."

Mr. David Dawson, a member of the Northeast Anti-Nuclear Campaign, said that cheap nuclear power was a myth. The cost was of the same order as coal—generated electricity. In any case, he argued, the demand for electricity was collapsing and the CEGB was being forced to shut down existing power stations.

If all the nuclear power stations were turned off tomorrow, then existing stations would cut in and everything would carry on as normal.

Attack on renewed arms sales to Pinochet regime

RESTORATION of the ban on British arms sales to Chile was demanded by the assembly yesterday.

Delegates attacked the Government's attitude to the case of Miss Claire Wilson, the 2-year-old British student, tortured by Chilean secret police.

An emergency resolution condemning the renewal of British arms supplies to the regime of President Pinochet in the light of the treatment meted out to Miss Wilson was animously approved.

Mr. Philip Beckerlegge, prospective candidate for Cirencester and Tewkesbury, who moved the resolution, accused the Government of adopting a totally cynical attitude.

He claimed that the pursuit of profits from arms sales had been put above the preservation of human rights, human dignity, and liberty.

Mr. Beckerlegge called on Liberals to oppose the sale of arms, for whatever purposes, to all totalitarian and repressive Governments.

THE WEEK IN THE MARKETS

Onwards and upwards

LONDON

ONLOOKER

After a quiet start to the week the market shifted into gear on Tuesday with news of monetary and public borrowing figures. Dealers had already discounted a rise in Sterling M3 of 3 per cent and a £1.57bn figure for Central Government Borrowing. But what did set the market buzzing was the Treasury's plan to increase National Savings' contribution to the Government's coffers by widening the catchment area for index-linked savings certificates, "granny bonds," and increasing the amount that can be put by in the indexed Save-as-You-Earn scheme.

The Treasury's aim was to reduce pressure on the gilt market and hence interest rates. Initial confusion in the market was replaced by rosy smiles with talk of an early cut in interest rates. The 1991 tap was finally exhausted and equities broke into new ground with the All-Share Index registering an all-time high. After a night's sleep gilt dealers' enthusiasm waned a bit but equities kept pushing ahead and the underlying trend remained strong to the end of the week. And behold: up popped another tap stock yesterday.

Flattened carpets

Figures from the carpet industry this week seem to suggest that the floor of the British home is decorated these days with concrete slabs or bare wooden boards. Sales have been plunging and, with high fixed costs to cover, carpet companies have been driven into loss.

The first, and most significant, casualty of the week was Carpets International which reported a dramatic swing from profits of £670,000 to a loss of £4.67m in the first half of the year. These gloomy tidings were followed in quick succession by heavy losses from Youghal Carpets and Blackwood Morton.

The industry's problems rest in part on a retrenchment in consumer spending but the dominant influence has been a flood of imports at the bottom end of the market. In the first six months of the year, industry exports fell 25 per cent while imports rose by a dizzy 46 per cent. The major culprit was the U.S.

Until recently British carpet manufacturers believed that, while cheap foreign competition might pick up some of their traditional export areas, the home market was inviolable. American manufacturers, with low feed-stock, a weak dollar and massive economies of scale, have effectively scotched that argument. British companies have turned repeatedly to the EEC authorities but have not yet received too sympathetic a hearing. The UK is an exceptionally large producer of carpet, and remains a net exporter, so it has been unable to drum up much weighty suport from elsewhere. There are signs that the American pressure is beginning to relent but it will not be soon enough to prevent widespread closures. The next couple of years look very grim.

P & O said in May that its profits this year would be only moderately higher, and it repeated the message with its interim statement this week. Full marks for consistency? Not a bit of it. The stock market had persuaded itself that profits for the first six months of 1980 could have risen from £13.8m to £20m pre-tax or more. So when P & O checked in with figures that were actually a little lower at £12.9m, its shares came in for some rough treatment.

Of course these figures look disappointing by comparison with the results a few weeks back from Ocean Transport. Its interim profits were more than doubled. But then Ocean received a special boost from a marked recovery in the Nigerian trades, an important part of its busines. And P & O's bulk shipping division was unable to capitalise on a firmer trend in freight rates earlier this year, since most of its tonnage was out on time charter, and not trading on the spot market.

P & O slows

In addition, P & O's passenger side has had an uninspiring time, as a result of reduced demand in the UK and currency movements in Australia. The European transport side has been under pressure too — following poor conditions in the UK and a Swedish strike.

The current half will be hit by the impact of the French fishermen's strike and by keen competition on the cross-channel route. P & O has not yet estimated the cost, yet it seems possible that this division's profits (£9.9m last time) will only be very modest in 1980.

So if P & O were just a shipping company, it would not be in a position to forecast higher profits this year. The boost is coming from oil trading — which has been very active this year — as well as from construction, banking and property.

Although the City analysts were disappointed with the figures, brokers like Hoare Govett and Tilney and Co, argue that any further price weakness would provide attractive buying opportunities for long term investors. There is considerable scope for improvement on the liner trades over the years. And P & O's involvement in Overseas Containers is particularly attractive. This group should become increasingly competitive over the long term, and P & O's share-holding in the consortium is set for an increase.

Above all, P & O will be a major beneficiary from any sustained fall in interest rates. A series of major disposals reduced its borrowings from £413m in June 1979 to £292m 12 months later. So far, the impact on the group's finance costs has been tiny, because of the rise in interest rates. Next year, there could be a very different story.

Although it might be too much to hope for an increase in the dividend this year, there seems for these reasons to be plenty of support for the shares on a historic yield of just over 8 per cent.

Babcock's setback

Everyone expected half time profits to be well down at Babcock International: the chairman had made it clear enough to shareholders at the annual meeting last May. But few in the market suspected the magnitude of the setback, which turned out to be a 70 per cent decline to £6.1m pre-tax. Surprisingly the shares rose 6p to 96p after the announcement. Perhaps a maintained interim payout may have influenced dealers but certainly some analysts remain bemused by the price rise.

Obviously the current recession was bound to have a big impact on Babcock's earnings. The real blow came in North America, which had been the major profit contributor. Profits there fell some £5m or £6m before tax and were insufficient to cover interest charges. Sales of construction equipment, chain and motor vehicle components were well down both in the UK and the U.S., though especially in the latter.

Keeler Corporation, which Babcock paid $75m for in July, 1979—$53m provided for by a long term dollar loan—is now only breaking even, and that before attributing financing costs.

But the half year statement was not all gloom. There are some areas where trading is relatively bright. Also Babcock Africa has won a £295m contract for six 600 megawatt coal-fired boilers and plant for the Lethabo power station, and the group order book stood at £1.12bn at the end of July. Capital gearing is unlikely to rise much this year—the last accounts showed debt equal to around half of shareholders' funds. So while there is no doubt that Babcock is a survivor the short term profits outlook is unexciting.

The market is talking of profits this year of between £15m and £18m—although with sales of over £800m judging the likely profit margin is a bit hit or miss—against £32m. Even on the optimistic predictions, the fully taxed prospective p/e of 12 is high enough to raise a few eyebrows amongst the analysts.

T & N cuts divi

There was little joy from Turner and Newall's interim performance, revealed in muted tones on Thursday. Not only did the Manchester-based asbestos-to-motor component group announce a 35 per cent fall in pre-tax profits to £12.2m, but T and N also revealed that the interim dividend would be cut by a third.

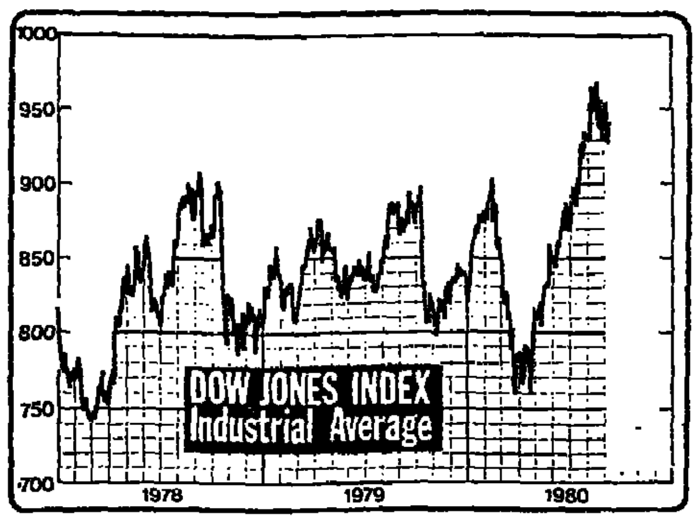
Although the company gave a thorough description of various measures designed to streamline operations and improve its balance sheet, the news of a continuing decline in profitability was not encouraging. The sharp fall in last year's pre-tax earnings from £39.7m to £27.5m, the recent estimate of net assets per share of around 200.8p (April) against a share price of 106p, and this week's news once again set everyone off to their slide rules to do their sums.

The dividend cut, if continued at the year-end, could still produce a prospective yield of around 10 per cent, but at the interim stage the payout is uncovered on both historic and current cost bases.

The group's interim showing would have been much worse had it not been for a contribution of £5.8m in respect of the reclaimed Zimbabwe business. The UK side was down from £10.8m in the first half of last year to just £9m and this was before redundancy and severance expenses of £5m.

There can be no doubt but that Turner and Newall means to clean up its act, at least in balance sheet terms. Capital gearing is down from more than 50 per cent at year-end to around 36 per cent as at June 30. This stems from reducing debt by £5.5m and also from including an additional £97m from Zimbabwe in the group's net worth.

T & N is also selling off around £24m worth of "non-strategic" holdings ranging from asbestos mining and manufacturing in Canada to Hardie-Ferodo in Australia.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	508.9	+14.5	508.9	406.9	Hopes of MLR cut
F.T. Govt. Secs. Index	70.84	+ 1.40	72.54	63.85	Money supply/MLR optimism
F.T. Gold Mines Index	468.4	+40.4	468.4	265.5	Hits all-time peak
Black & Edgington	40	+ 8	63½	28	Recovery prospects
Clifford (Charles)	48	−16	101	48	Awaiting interim results
Cornell Dresses	86	+34	88	10½	Mr. Nadir's controlling option
Danish Bacon A	86	−26	126	86	Int. loss/passed div.
Double Eagle	610	+190	640	118	Alaskan oil find
Gough Cooper	124	+22	124	62	Bid from Starwest
Higgs & Hill	87	− 6	96	45	BICC's bid withdrawn
Home Counties Newpapers	70	− 8	108	68	Disappointing interim statement
Impala Platinum	450	+75	450	240	Buoyant platinum
Laurence Scott	70	+10	70	42	Bid from Mining Supplies
Malayan Tin	123	+23	125	48½	Far Eastern buying
Marler Estates	79	+14	81	38	Bid hopes
Minorco	477	+82	477	325	Increased profits and div.
Montfort (Knitting Mills)	64	−11	89	64	Interim profits setback
Poseidon	315	+45	315	90	Gold at 7 month high
Reckitt & Colman	188	−22	216	162	Poor interim results
Standard Chartered	635	+77	635	465	Interim profits up 40 per cent

The summer gold rush

NEW YORK

PAUL BETTS

THE TIZZY in the gold market rubbed off on the New York Stock Exchange where precious metals issues became the outstanding performers of the week distracting some of the attention on the old oil and high technology favourites.

U.S. gold stocks made steady gains as the precious metals market increasingly got caught up in the traditionally emotional frenzy that preceeds a a meeting of the Organisation of Petroleum Exporting Countries and though trading in gold and silver has yet to reach the hectic levels of the so called "Hunt Market" in the early spring, speculation nonetheless resumed a fairly frantic pitch in anticipation of the OPEC meeting in Vienna which opens on Monday.

Bar talk in Wall Street focused on a series of rumours over a possible new OPEC oil price increase and oil production cuts in particular by Saudi Arabia, the world's largest crude oil exporter. Not that anybody in Wall Street really knew whether the Vienna meeting would lead to new oil price rises. But in the last two years an OPEC meeting has always had an impact on gold sending the precious metal's quotation shooting up.

Indeed, in the week preceeding each of the past four OPEC meetings, gold has risen by 13 per cent, 2 per cent, 12 per cent, and 1 per cent. Thus by the law of averages it should—as it did—increase by a substantial percentage this week.

Anxieties over higher oil prices sent gold up by as much as $30 an ounce this week bringing the precious metal to the $680-an-ounce mark, or its highest level since gold prices slumped to $490 early this year after running up to $875 an ounce in February.

Inevitably, gold dragged silver upwards with the metal hitting the $20 an ounce level, its highest point since the metal slid from $52.50 an ounce in January to $10.80 an ounce in March following the Hunt fiasco.

Dealers, as always, remained highly cautious over the latest late summer gold rush which has seen stocks in the volatile metals group bouncing back at the centre of big board attention all week.

Gold stocks, such as ASA and Homestake Mining — the latter recently reporting a new gold find near Sacramento, California, which it says could become the fourth largest gold mine in the U.S. by 1985 producing 100,000 ounces a year—all made sizeable gains on the back of the surge in gold prices.

Silver stocks also made good showings, with Hecla mining shares, for example, running up to more than $45 a share after being rocketed down to about $15 during the great silver crash earlier this year.

Incidentally, Bache, the Wall Street securities firm at the centre of the Hunt silver turmoil, also reported this week profits almost double for the year over the previous financial year. The big increase in earnings, $26.7m compared to $13.5m the year before, set a company record for the second consecutive year. Bache claimed it had not made any losses in the Hunt Brothers account.

But it has not only been OPEC which has played the part of King Midas in Wall Street this week. The stock market, with the Dow Jones industrial average gaining more than 200 points in its long summer rally, now appears to haev got stuck in the middle of the nine hundreds.

However, analysts are suggesting that it is unlikely to break the magical one thousand barrier in the short run because of a combination of factors.

These factors have kept the lid down on the market and reflected in part this week's rally in the speculative precious metals issues. Apart from OPEC, what is still bothering the market are the continuing conflicting signals on the current state of the U.S. economy, the future pattern of interest rates and the level of inflation all as the Presidential election campaign reaches its climax.

Reports this week that business as a whole is expected to make only limited progress in its balance sheets next year and the prospect of some profit declines have done little to encourage investors to keep pushing the Dow up.

Moreover, high inflation forecasts for next year have dampened business confidence over the end of the recession.

In spite of interest in gold stocks and continuing activity in Sony which has now jumped to more than $14 as investors seemingly keep their eye on the Japanese manufacturer of video and electronic products which has been performing strongly on the Tokyo Stock market, volume has somewhat dropped on the New York Stock Exchange. One analyst attributed it to the start of the Jewish holiday, which even during working days has crowded the beaches on Long Island Sound and reduced the normally hectic pace down at Wall Street. The stock market, it seems also knows how to keep its priorities.

MONDAY	928.58	−12.39
TUESDAY	934.72	+ 6.15
WEDNESDAY	938.48	+ 3.75
THURSDAY	941.30	+ 2.82

The record changes

THIS WEEK'S missed dividend and half-time loss from BSR have confirmed the alraming change in the fortunes of this Midlands based record changer and household appliance group.

Until only about 4 years ago BSR was still one of Britain's industrial growth stars. At the peak of its success in 1976 BSR was manufacturing close on 250,000 record changer mechanisms a week. It recorded a pre-tax profit for that year of £28.7m, and the company was valued at something like £100m on the stock market.

Now the company's undoubted management skills are absorbed in a bitter struggle to survive. Its very success in carving out huge export markets, especially in the U.S. is now rebounding against it. Since 1976 the value of sterling has rocketed against the dollar, wiping out export margins.

To make matters worse the world recession has hit the audio industry hard. And with the yen comparatively low, the Japanese competition which BSR used to be able to hold at bay is now all-powerful in many world markets. Moreover the household goods businesses like Swan Brand, Goblin and Judge, which BSR bought as a diversification, have suffered from the UK domestic recession.

So BSR is faced by the stark problems which menace so much of British industry. Losses reached nearly £8.4m in the first six months of the year, and a further deficit seems inevitable in the second half. Net short-term borrowings have risen from £24m at the end of 1979 to £35m, although urgent steps are being taken to reduce stocks and trim the debt burden back again.

In March 1977 BSR capitalised on its peak profits to launch a rights issue. Investors put up nearly £16m in order to help finance the group's expansion plans. Now the whole company is capitalised in the stock market at only £2m more than was raised at that time.

But BSR's balance sheet remains comparatively strong. At the last year-end its book net worth stood at over £60m, and although that will inevitably be eroded somewhat in 1980 its debt-equity ratio is by no means a serious short term problem.

The group thus has time to tackle its problems and it is fighting back in various ways. First, it has accepted the unpleasant necessity of cutting back its production capacity to a level more in line with demand. So it has pulled out of its East Kilbride operations in two stages last year and this, leading in all to the shedding of 2,500 jobs. Other rationalisation measures have been implemented in the Midlands.

As well as tackling overheads in this way, BSR plans to attack direct production costs by introducing a new range of record turntables which will be substantially cheaper to produce. But it is bound to take some time for the full benefits of this to come through.

Moreover, the group has several new products outside the audio field for which it sees profitable prospects. Thus it has launched the X-10 centralised switching device in the U.S. and is now in the process of building this product for European markets (though this entails the provision of a variety of different plug connections).

In Hong Kong the group now has over 50 per cent of a computer peripherals manufacturer, Astec International, which enjoys a bumper order book and is scheduled to make profits of at least £3m in 1981.

Looking further ahead there are hopes that BSR will be able to develop a slice of new markets being opened up for devices like video discs and digital records. But the rate of progress in video discs is frustratingly slow and in fact no information at all has recently been coming out of BSR's licensor, RCA.

With any luck BSR's fortunes will pass their nadir this winter, as the group runs down its surplus stocks both in the sound reproduction and consumer products divisions; the group fears that demand for turntables will ease back again after a slight improvement in the past week or two.

But the group will quickly receive a boost from any fall in interest rates and from any weakening of sterling, the persistent climb of which has been negating BSR's efforts all this year to restore its vanished export margins.

Beyond that the future must lie in a smaller but healthier sound reproduction business, and in the build-up of activities in the various new markets which it is developing.

Barry Riley

FINANCE AND THE FAMILY

A loan to buy a house

BY OUR LEGAL STAFF

I control a company registered in Guernsey, where I live, from which I should like to lend money to my daughter in England to enable her to buy a house.
1. If a company made a loan to her for this purpose would she be able to claim relief against UK income tax assuming that her income is sufficient for an income tax liability to occur.
2. In the event that such relief were possible what evidence would the UK tax authority require from the company in support of a claim for tax relief by her.

This may not be a satisfactory arrangement from your company's point of view. For your daughter to be eligible for UK tax relief, the loan must be subject to English law (so as to ensure that the interest is chargeable under case III of schedule D, as required by section 75(1)(a) of the Finance Act 1972). That being so, your daughter would have to deduct UK tax at the basic rate (30 per cent) from each payment of interest (in accordance with section 54(1)(c) of the Income and Corporation Taxes Act 1970) and the company would be left to bear this tax, subject to the double taxation arrangements between the States and the UK Government.

Your daughter might like to ask her tax inspector for a copy of the free Inland Revenue booklet IR11 (Tax treatment of interest paid), which should help to clarify a number of points for you.

A claim for misrepresenting

Some years ago the local council sent me plans to which I agreed for a pumping station, access to which was over my drive. Their plans included a turning area, which has not been constructed, so that vehicles have to reverse up and down my drive. Also, they have hung a gate opening outwards over my drive, which means that vehicles have to stop some distance away and block my entrance. Does a right of way mean you can reverse and park on it? What action can I take?

It does seem that the Council may have misled you into agreeing to a situation which is unsatisfactory from your point of view. You may have a claim against them either for misrepresentation or for specific performance of an agreed scheme. You should consult a solicitor, since all your correspondence with the council needs to be examined carefully to determine what your rights are. One can reverse on a right of way, but should not (normally) park on it.

Life assurance relief

In the tax return guide issued by the Inland Revenue for 1976-77 and previous years, Life Assurance relief is stated in section L as a maximum of 1/6th of your total income. In the year 1977-78 the wording has been altered to 1/6th of your taxable income up to the full amount. I have now received an assessment and I found that in the previous years up to 1977-78 I am penalised in calculating relief when these are deducted. Is this correct? The assessment included a note saying "your tax affairs have been neglected *entirely through the fault of* this office and I offer my *apologies.*"

For 1973-74 onwards, "total income" is defined for life assurance relief purposes as one's net taxable income, after all deductions except personal reliefs. This definition is to be found in section 528 of the Income and Corporation Taxes Act 1970, as modified by section 34(3) of the Finance Act 1971. For 1972-73 and earlier years, the position was substantially similar, but there were technical differences in the legislation—which perhaps we need not explain in detail.

If you consider that you were induced to enter into (and maintain) what have proved to be excessive life assurance policies (from the tax angle) by the wording of past years' tax return notes, and by the failure of your tax office to draw your attention in good time to the fact that you were going over the premium limit for tax relief, you may like to write to your MP (or any other MP you choose), with a view to inviting him or her to submit a complaint of *maladministration* by the Inland Revenue to the *Ombudsman.*

Executors and Solicitors

The administration of a deceased persons estate having been completed the *solicitors acting for the* executors (the solicitors themselves not being the executors) were asked by the *executors for the Grant of* Probate and the Death Certificate of the testator. The solicitors (actually the clerk who dealt with the matter) stated that "we keep all papers in the event of any query arising." In other words it was a categorical refusal to hand over any papers or documents. What please is the legal position?

The executors are entitled to all documents which belong to the estate, including those you mention, and can insist on their being delivered up to them as personal representatives. If administration is complete the entitlement may rest in the trustees (if any) or in the principal beneficiary rather than the executors; but the solicitors (if they are not claiming a lieu for payment of their fees) are certainly not entitled to retain them.

Pay in lieu of notice

I was made redundant and left my job on March 7, though my employment was not terminated until 13 weeks later, ie, May 31, being paid in lieu of notice. During this period a pay rise of 5 per cent was granted, backdated to November 1979. Am I entitled to this?

We think that you are entitled to receive the extra 5 per cent from November 1, 1979 to May 31, 1980; and you should require your former employers to pay the appropriate amount to you.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Non-resident and VAT

I refer to your reply under "A non-resident and VAT" (May 24). I left England in 1974 *and paid VAT on the fees of an* estate agent for managing my house from June 1974 till March 1979. Did the agent charge VAT in error up to January 1978? *If so, can I reclaim it from him* or from Customs and Excise? If the fee was charged in error, was the agent entitled to charge it as an addition to his fee after *January 1978?*

I understand that a non-resident *is exempt from* VAT *on* any service performed in the UK. *If so, how does one set* about recovering VAT charged on such items as hotel bills and car hire accounts during a visit to the UK?

The rule relating to international services prior to January 1978 was that services provided to an overseas resident not used by a person present in the United Kingdom were zero rated for VAT purposes. It seems to us that your estate agent was not entitled to charge VAT before that date. We suggest that you ask him for his authority for making the charge *and if he cannot* produce any, you should make a claim against *him for the amount overpaid.* You cannot reclaim any excess payment *made by you from the* Customs and Excise. As from January 1978 the estate agent is entitled to increase his fee by the rate of VAT for the time being in force.

As a general statement it is not correct that a non resident of the UK is exempt from VAT. Certain services provided by professional firms such as lawyers or accountants are zero rated unless they relate to land situated in the UK. It is not possible to avoid VAT on hotel and car hire accounts during visits to the UK.

That golden glow again

MINING
KENNETH MARSTON

BOOM TIME looks to be here again in gold and gold shares after the summer recess, but as the FT gold index moves up to new records—the gold price *is still well below its peak of* $850 per ounce reached in January—the *question being* asked is how long is it going to last. And the *key to this is* world inflation.

Whatever the success of the UK in the battle against inflation, the latest figures are encouraging, the gold share market remains uneasy especially as far as the U.S. is concerned. Clearly, it feels that the Americans will continue to exchange paper dollars for bullion.

London stockbrokers, Laurence, Prust comment in their latest review: "We doubt the political will of the leading industrialised nations to *continue their strict monetarist* policies. A further outbreak *of inflation can be expected* before too long and this will *lead to a significantly higher* gold price."

And what do the *followers* of the signs and portents in charts feel about the gold price? *One* who has a knack of getting it right tells me that the price could run into an area of uncertainty at around $730 but he thinks that this will pass and the price could then move forward again, possibly to the $1,000 level by early next year.

But nobody really knows and it is all too easy for an investor to be carried away when markets are in one of their highly bullish — or bearish — moods. These are times for cool heads. My view is that good class gold shares which are paying handsomely for their keep should be retained, especially if the holder has followed earlier advice to take good profits on part of the investment.

New buyers should tread cautiously, keeping their purchases to modest levels. It is worth remembering that sentiment can change quickly in the gold share market and that those who are carried away on a high tide of enthusiasm can sometimes be left high and dry.

Inevitably, *the strength of* gold has rubbed-off on to the free market price of platinum which is now around $715 per *ounce compared with recently* increased producer price of *$475 which is charged by the* leading miners, South Africa's ***Rustenburg Platinum Holdings*** and the **General Mining Union Corporation** group's **Impala Platinum.**

Western Platinum, in which Lonrho holds 50.4 per cent, **Falconbridge Nickel** 25 per cent and **Superior Oil** 24 per cent, sells its platinum at the higher free market prices. Like Rustenburg and Impala, *Western Platinum also mines* the great Merensky reef in the Transvaal but for some time has had its eyes on the richer Upper Chrome Group, or UG2 reef, in the same area.

So far, UG2 has not been *exploited because of complex* metallurgical problems. However, Lonrho says that research carried out with South Africa's National Institute for Metallurgy has solved these problems. So Western Platinum is to tackle UG2 and first production expected to reach the market in early 1982.

At the full mining rate the expansion will add about 110,000 oz a year of platinum group metals to Western Platinum's present annual production of approximately 135,000 oz *and earn an extra annual working* profit of about R20m (£11m) *compared with the present rate* of some R32m. Lonrho's profit *from its various mining activities* could amount to about half the diversified group's *total for* the current year.

The capital cost of the expansion is put at R25m, much of which will come from the present cash flow. This is low for what is virtually a new mine because Western Platinum will be able to use its existing No. 1 shaft and ancillary facilities to exploit the area.

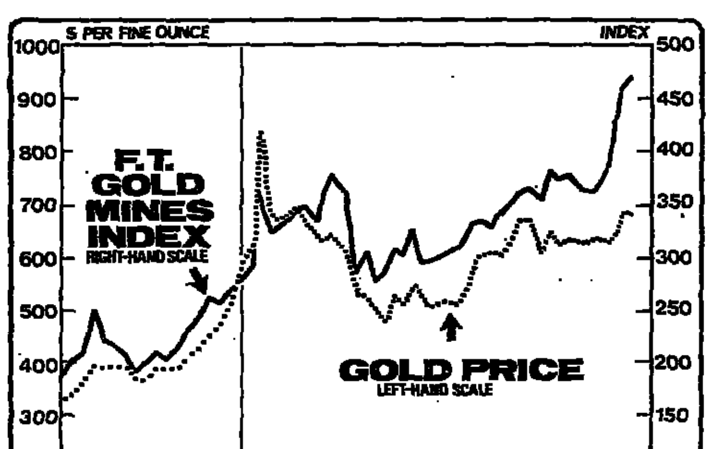
What is also interesting is that Western Platinum's UG2 *contains a high proportion of* chromite. No plans have been *announced for the exploitation* of this valuable by-product, but *at full production it could* amount to something like 25 per *cent of South Africa's present* production of the material.

Holders last year of **Charter Consolidated** who decided to keep the shares given them in **Minerals and Resources Corporation** (Minorco) instead of selling them back to Charter at the price offered of some 221p per share will have been pleased this week.

Minorco are now 477p. The Bermuda-registered natural resource investment company has announced brilliant results for the year to June 30. Earnings have advanced to $114.8m (£47.6m) from $34.4m and a final dividend of 16 cents (6.6p) makes a total for the year of 20 cents against 12 cents.

Investments include 28.4 per cent in the flourishing U.S. **Engelhard** precious metal refining and base metal marketing group and 49.9 per cent in **Zambia Copper Investments** which has at last returned to *the dividend list with a payment* of 5 cents.

However, now that Minorco yield under 2 per cent, there could be a case for switching into the higher yielding **Rio Tinto-Zinc,** the results of which are due on Wednesday; talk is that there may be a right issue of new shares at a favourable price, but should that put you off?



Moving on to Australia, we come to the intriguing news that the country's biggest company, **Broken Hill Proprietary,** is looking into the possibilities of extracting methane gas from deposits of coal before they are mined. For a start, the company has drilled four "wells" at its Blackwater lease in Queensland which is thought to contain as much as 26 bn cubic metres of the valuable gas.

Once mining starts, this *methane gas can be a menace,* to say the least, and the hope of turning it to good account before then holds out exciting possibilities in this *energy-hungry* world. Under the impetus of the soaring price of oil, the major mining companies are finding almost boundless reserves of coal throughout the world and many of them must contain the gas as a relatively cheap by-product.

Whether or not BHP will succeed in its venture *remains to* be seen, but it is an interesting thought that *while oil must* remain vital to the world's *energy needs for the foreseeable* future, the high price of that *commodity continues to* stimulate the search for alternatives *and coal is very much one in* point.

Eventually, uranium will have to come more and more into the picture despite the present unwillingness of the environmentalist lobby to compromise on this point.

Even if you can't take it with you . . .

BRITONS working overseas have several investment advantages over savers at home. Their salaries are paid tax free and they can invest into a tax-free fund. There has been considerable growth in the past decade in setting up offshore funds designed as savings vehicles for expatriates.

But almost all these funds operate on the unit-linked principle where the unit price fluctuates with changing market conditions. Many expatriates are apparently not willing to take risks with their savings or with health and family life. They want a *savings* bank type of investment where the value rises *steadily.* That is the experience of Unilife Assurance.

So in its new Multicurrency Investment Plan, Unilife has reverted to the well-tried with-profits principle, with a guaranteed maturity value that rises steadily each year as bonuses are added.

But the important lesson from investment conditions of the 1970s is that it is as important to invest in the right currency as it is to make the choice between equities and fixed interest. The new plan offers investors a choice of currencies with which to link the plan, with an option to switch at least once during the plan's 10-year life. The currencies available are *sterling,* U.S. dollars, Deutschemarks and Swiss francs.

But the *novel feature* of the scheme is the method of determining bonus rates, which is unlike anything so far devised by actuaries for UK with-profit contracts. For it relates automatically to market investment conditions by referring to a published index rather than relating to the investment performance and actuarial valuation.

To determine the bonus rate, the investor simply looks at the published year-end gross redemption yield of the index and then reads the bonus rate from a table given with his contract. The table shows the bonus rates for specimen yields and the indices used for each currency are:—

- Sterling—FT-Actuaries Index for 15 Year British Government High Coupon Stocks
- U.S. Dollars—Standards and Poors Long Government Bond Index
- DM—Government (inc. Railways and post) Bond Index
- Swiss Franc—Swiss Federal Government Bond Index.

So if the end-year yield on the appropriate index was 10 per cent the bonus rate would be 4.375 per cent.

So under this system bonus rate can, and almost certainly will fall in some years from the previous year's level and rise substantially in other years. In fact bonus rates follow market conditions and there is no smoothing as with the traditional bonus system. In this respect the bonus rates will fluctuate like unit prices. It *is very much a hybrid system.*

This is a compound system so the bonus declared is found by applying the bonus rate to the *guaranteed maturity value* plus all attaching bonuses. Once *declared, the bonuses cannot be* taken away, the guaranteed feature of with-profits contracts.

INVESTMENT
ERIC SHORT

Unilife is registered in *Bermuda* and is exempt from all local taxation and exchange *control legislation. It can pay* policy proceeds anywhere in the world without any tax deductions. In most countries the *investor* does not have to pay personal tax on the maturity proceeds.

But the plan has been designed to make it even more attractive to the UK expatriate on his return to the UK. Although the plan aims at providing maximum investment and therefore minimum death cover, the minimum has been pitched at the level necessary to get UK tax qualification.

So the expatriate on returning to the UK can then take his *maturity proceeds free of* all taxes irrespective of which *currency they are written. He does* not need to have his plan *written in sterling.*

Indeed, getting the currency right is highlighted by Unilife's calculations of what would have happened had the plan been available in February 1969. Because the bonus rate is determined automatically it is quite easy to move backwards and the findings are interesting. A sterling plan over the 10 years would have yielded 8 per cent (U.S. dollars, 4 per cent; DM, 4½ per cent; and Swiss francs, a modest 3 per cent).

But if the maturity values had been converted to sterling, the Swiss franc plan would have yielded 17 per cent, the DM 15½ per cent and the U.S. dollar 5½ per cent.

But this past experience does *not mean necessarily* that investors should go for Swiss francs *over the next 10 years.* Indeed, it would be safer to go for a spread of currencies and Unilife's plan can be split into several policies each written in the four currencies. This provides complete *flexibility* as to cash-in as well as giving a currency straddle.

For example, the minimum investment is £1,000 a year. This could be spread: £400 Swiss francs, £200 DM, £200 Sterling and £200 U.S. dollars. But here the investor is going to need expert advice, from an adviser that not only has considerable knowledge of the expatriate market, but has expert back-up advice on the *currency* situation.

Yield %	Bonus Rate %
3	1.000
4	1.375
5	1.875
6	2.375
6	2.875
7	3.375
8	3.375
9	3.875
10	4.375
11	4.875
12	5.375
13	5.875
14	6.375
15	6.875
16	7.375
17 or more	8.000

Wilhelmina and Winston

STAMPS
JAMES MACKAY

WHILE SOME countries are still struggling to get out their Europa stamps—Holland's pair, issued on September 23, portray Queen Wilhelmina and Sir Winston Churchill with quota*tions from wartime speeches*—the Scandinavian countries are staging their own *omnibus* issue.

On September 9 stamps were issued by Denmark, Norway, Finland, Sweden and Iceland to mark Northern Countries Day. This gives a tangible expression to Norden, the Northern Countries Union formed in 1919 for the closer political and economic co-operation between the Scandinavian countries.

Postally, however, the Scandinavian states have co-operated closely for more than a century and it was this that led to the introduction of Norden stamps in 1956. In that year each country issued two stamps for internal and external letter rates, with common designs and colours.

Five *swans in flight* was the theme designed by Viggo Bang *of Denmark. In spite of this* promising start no further *stamps were issued until 1969* when Norden celebrated its golden jubilee. On that occasion each country issued two stamps *with the uniform motif* of five Viking longships, derived from *medieval incised stones.*

It was then decided that stamps honouring Norden would be released at four-yearly *intervals. In 1973 the common* design used for each pair of stamps depicted the Nordic House in Reykjavik, headquarters *of Norden, while the* stamps released in 1977 showed five water lilies. *The interval* between issues has now been *shortened to three years, and* following the pattern of recent *Europa issues, it was decided* that each Scandinavian country *would produce its own distinc*tive stamps within an overall common theme.

The subject chosen for this year's stamps was applied art, a theme which was used very effectively for the Europa stamps of 1976. Finland has selected antique saddlery, an aspect of the applied arts which has had relatively little coverage in stamps so far.

The FM 1.10 stamp reproduces a back-piece *from the* mid-19th century, richly embossed and carved with ornament originating in Ylistaro in *the province of* Etela-Pohjanmaa. The FM 1.30 depicts hames made at the beginning of the 19th century at *Kuhmalahti* in Häme province, carved and painted with grouse ornament.

Sweden has opted for furniture, with a carved chair (Kr 1.50) and a cradle (Kr 2). The chair bears the date 1831 but is a mixture of much older styles, including English Jacobean and Tudor combined with painted roses, a fashion which reached its peak in the province of Scania in the early 19th century.

This specimen was actually purchased by the Nordic *Museum* in Stockholm in 1879 for Kr 2—little more than the face value of the stamp which prepays the internal letter rate.

The cradle comes from North Bothnia and shows the strong Renaissance influence found in so much of the furniture of that province. Another peculiarity of cradles from northern Sweden is that the rockers run from head to foot, whereas in the southern districts the *rockers run from side* to side. This cradle also belongs to the *Nordic Museum.*

The National Museum in *Reykjavik* provided the material for the two stamps issued by *Iceland.* The *180 kr* reproduces a cushion cover embroidered in 1856, using a technique known as split stitch. The *150 kr* denomination features a carved and painted cabinet door made in the 18th century by Hallgrimur Jonsson, a farmer in Laxardalur who achieved eminence as a woodcarver, working in the Baroque style.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at the Government's bid to raise more money from the small investor

A £1.5bn challenge for the savings market

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, sent the savings industry this week into a spin. In the same statement which revealed a second successive set of dismal money supply figures, the Treasury announced a package which for some investors could well prove irresistable. As soon as possible, the Government revealed, the maximum monthly contribution under the National Savings Save As You Earn (third issue) contract will be increased from £20 to £50, and probably in mid November a second issue of the highly successful granny bonds will be launched.

Both schemes, as anyone fortunate enough to have cashed in on them in the past five years will know, are indexed linked. For this reason the Government is confident the new measures will raise £1.5bn, to help finance its spending during the rest of the current financial year.

The new certificates according to the Department for National Savings, will be similar in design to the currently available index linked retirement certificates (dubbed "granny bonds"). But there will be important differences. The new bonds, for example, will be on sale to everybody (men and women) aged 60 or over, whereas the current retirement issue is restricted to men aged 65 or over and women over 60. Furthermore, the maximum amount which those who qualify for the new model will be able to buy is £3,000, against the £1,200 limit at present.

More than £1.5bn representing 2m pensioners is invested in index-linked retirement bonds. But, surprisingly only 800,000 savers currently have "live" contracts of SAYE (third issue), even though anyone over 16 can apply.

Under the existing scheme, savers make 60 regular monthly contributions of up to £20 over five years. At the end of this period each payment is adjusted to take account of inflation between the payment date and the completion of the contract.

Under the new proposals, the maximum amount which one individual will be able to put aside will shortly rise to £3,000 over five years (60 x £50). Elderly couples who have not yet taken advantage of retirement issue can now index link £8,400 between them—2 x £1,200 under the existing bond, which will be withdrawn in November, and 2 x £3,000 under the new model.

Financial commentators have been quick to welcome the decision to extend index linking to a broader range of savers. By raising new funds from the personal sector the Government is taking pressure off the gilt-edged market, on which it relies for much of its borrowing. This in turn should reduce the heat on interest rates and if all goes to plan industry might even be persuaded to tap the corporate debenture market once more.

Not everyone, however, is enthusiastic. Competitors in the market for personal savings such as banks, building societies, life insurance companies and unit trust groups, are apprehensively waiting to see what impact the Government's move will have on their business.

The loudest squeals are coming from building societies whose vast sums of readily realisable deposits are most vulnerable to the Government bait of granny bonds and SAYE.

The Building Societies Association (BSA) in its monthly bulletin published yesterday, estimates that £500-£700m is at risk through individuals within the movement fell this figure could be too low.

Building society managers have mixed feelings about the new competition. They recognise that the Government has a problem with its borrowing requirement and that an appeal to private savers should in the long term help by taking pressure of interest rates.

In the immediate future, however, life will be uncomfortable. Even if Minimum Lending Rate comes down in the next few weeks, the BSA is qpite categoric that the cost of mortgages will remain at 15 per cent until early next year. At this point, however, with the initial impact of the new index linked certificate out of the way, a sharp fall should be possible if other rates have already dropped. So far this year societies have taken in £1.6bn in net receipts.

The life assurance industry may also have cause to hold its breath over the next few months. Whole life and term assurance business is hardly likely to be hit but the SAYE scheme is potentially a rival to regular saving through a unit linked policy. New ordinary yearly life premiums (including linked life) in 1979 amounted to £438m; new single premiums in the same period came to £422m.

"When the Save As You Earn index linked scheme was first introduced in 1975 it made no noticeable difference to our members," a spokesman for the Life Offices Association said yesterday. "We feel that short term savings are most at risk and don't expect to be affected this time either."

The view is shared by Mr. Sid Lipworth, joint managing director of Hambo Life Assurance, who points out that the savings ratio has risen steeply in the past few years. "Life companies have the edge through tax relief on contributions," he claims. As long as the savings ratio remains high, I don't think we will be seriously affected.

The unit trust managers are not too pleased to face new competition.

In three out of seven months this year more money has left their collective coffers than they have been able to attract. At a time when they are desperately trying to break out of the underlying trend of low net sales through the issue of new gilt edged funds (two more are launched this weekend) another magnet for investment cash is certainly not welcome.

Nominal returns on both the new index linked certificates and the SAYE third issue of course depend entirely on the rate of inflation as measured by the Retail Prices Index. Holders of SAYE (third issue) who took out the first contracts in July 1975 received a compound annual return equivalent to 14.7 per cent tax free over five years, clearly an unbeatable return for a risk free investment.

Holders of index linked retirement certificates did slightly better over the same period, thanks to the 4 per cent bonus which is added to the original investment.

The larger table illustrates how society and building society investments have fared relative to inflation over the last 13 years. The smaller table charts the progress of an investment in Government stock compared with the RPI since the end of 1973.

Not surprisingly, both show that inflation has been the winner over longer periods though, over shorter spells, equities and gilts have undoubtedly proved rewarding in real terms. In five calender years since 1968 (excluding the first six months of 1980) equities have beaten the Retail Price Index if you allow for reinvested income, while gilts (reinvesting gross income) have proved a better bet on two occasions since 1974. Building societies, however, only came out top once—as far back as 1969.

Many observers—including those with a vested interest in attracting savings—share Mrs. Thatcher's optimism that price increases will shortly be brought under control. But even the optimists expect that inflation will remain in double figures for at least the next year or so.

RETURNS FROM GOVERNMENT STOCKS (gross income reinvested) AGAINST INFLATION 1973-1980

	RPI	FT Government Securities index
Dec. 31		
1973	100	100
1974	119 (+19)	78 (−22)
1975	149 (+25)	108 (+39)
1976	171 (+15)	122 (+13)
1977	192 (+12)	184 (+51)
1978	208 (+8)	178 (−3)
1979	244 (+17)	186 (+5)
July 31		
1980	273 (+12)	220 (+18)

* Figures in brackets represent percentage change over 12 months.

Source: Wood, Mackenzie

"Actually he's only thirty—the new issue of Granny Bonds has aged him prematurely."

RETURNS FROM EQUITIES AND BUILDING SOCIETIES (net income reinvested) 1967-1980

	RPI	FT Actuaries All-Share Index	Building society
December 31			
1967	100	100	100
1968	106 (+6)	146 (+46)	104 (+4)
1969	111 (+5)	127 (−13)	110 (+6)
1970	120 (+8)	120 (−6)	115 (+5)
1971	130 (+8)	174 (+45)	121 (+5)
1972	140 (+8)	200 (+15)	127 (+5)
1973	155 (+11)	141 (−30)	135 (+6)
1974	185 (+19)	66 (−53)	146 (+8)
1975	231 (+25)	163 (+147)	156 (+7)
1976	266 (+15)	164 (+1)	167 (+7)
1977	298 (+12)	239 (+46)	179 (+7)
1978	323 (+8)	255 (+7)	167 (+7)
1979	379 (+17)	278 (+9)	207 (+9)
July 31			
1980	424 (+12)	351 (+26)	219 (+6)

* Figures in brackets represent percentage change over 12 months.

Sources: Wood, Mackenzie and Abbey National Building Society

Why Electra is making more sparks . . .

INVESTMENT TRUSTS

RICHARD LAMBERT

THERE IS life in the investment trust sector yet. For several years, the trusts have been under siege—subject to takeover bids from pension funds and liquidation moves from their own shareholders. This week, however, has brought a positively expansionary move from the Electra House group.

Globe Investment Trust, which is the biggest in Britain with gross assets of about £350m, announced plans to reduce its shareholding in Electra Investment Trust from 74 per cent to just under 27 per cent. It is going to do this by means of an underwritten offer for sale to its own shareholders. This will bring nearly £31m of new money under the Electra House group's management.

Mr. Michael Stoddart, who is on the Board of both companies, says that the main reason for the sale is that the size of Globe's current investment in Electra is no longer consistent with its investment policies.

Globe wants to increase the percentage of its assets invested overseas, and to consolidate part of is resources over the years into a small number of large investments.

Electra is also seeking a more clearly defined role in life. It wants to invest in special situations in the UK and overseas, with a growing emphasis on the U.S.

From Globe's point of view, now looks as good a time as any to make the sale. The stock market—as measured by the All-Share Index—is close to its all-time high. The investment trust sector has been coming back into favour, so that the average discount on net asset value is down to about 22 per cent compared with over 30 per cent within the past 12 months. And Electra itself has become quite a fashionable investment, thanks to its good record and its rather glamorous association with unlisted securities.

But why sell the shares in this way? The result will be to dilute Globe's net assets by about 5 per cent, and to leave it with the tricky task of replacing the income from what has been a high return investment.

Mr. Stoddart says every possible method of reducing Globe's involvement has been considered. In an ideal world, perhaps, the Electra shares would have been distributed free to Globe shareholders—who are, after all, their indirect owners already. But such a scrip issue would have been taxed as a distribution, and the same would have applied to a deep discount rights issue.

Another more practical possibility would have been to unitise Electra's marketable securities, and give shareholders a direct stake in its unlisted investments. That would have left it with an unquoted portfolio of only about £20m, which according to Mr. Stoddart would not have left it with enough flexibility to manage its often illiquid holdings in a satisfactory way.

Globe could have absorbed the whole of Electra under its wing, and sold off the quoted investments at market prices. But that would have meant a complete reversal of policy in a short period of time, for it was only in 1976 that Electra shares were offered to the public for

The terms have been pitched to ensure as far as possible that what Globe shareholders lose as a result of dilution can be restored by taking up the offer.

But this does not mean that Globe shareholders should necessarily break the bank to take up their entitlement. To some extent, of course, their decision will be affected by stock movements over the next few days.

But the key consideration for Globe shareholders is whether they think that now is a good time to put new money into the stock market. If they think that the answer is yes, then buying Electra shares should be as good a way as any of getting into the action. But if they are uncertain, they should forget about the dilution and keep their hands in their pockets.

All ideas by September 30

THE COMPLEX question of whether UK companies should be allowed to purchase their own shares—something which is forbidden over here though allowed in other countries such as the U.S.—is likely to come under increasing scrutiny in the next few weeks.

The notion was put forward in a Government Green Paper early in July, the idea being that investment in small companies would be encouraged while larger ones would be free to redistribute their assets to shareholders.

So far, the Department of Trade has yet to receive any formal response from the Stock Exchange and the Confederation of British Industry (CBI).

The government has set September 30 as the deadline and reckons that opinion is more or less in favour of allowing companies to purchase their own shares, subject to fairly stringent safeguards.

There is one key group, however, which is definitely unhappy with the way in which the proposal has been floated in the Green Paper. The Association of Investment Trust Companies is irritated at the recommended exclusion of investment trusts and will be saying so in its submission early next month.

The Council for the Securities Industry, the City watchdog body, will also review the comments of its members—the leading financial organisations—before deciding on its own response at its next meeting in October.

The Government sees the proposals in the Green Paper as forming part of its aim of making British industry more competitive. But it is not in favour of companies being allowed to trade in their own shares or to buy them for later resale.

Andrew Fisher

When things are really moving

INSURANCE

ERIC SHORT

MOVING HOME in the UK can be hair raising. But when a family emigrates, or an executive gets posted abroad for a comparatively long period of service, moving possessions from one end of the world to the other can be really traumatic.

It is rarely straightforward moving house at any time. But going overseas multiplies the difficulties. Often people do not get established and buy a house until they have been some time in their new country. Sometimes the executive takes a while to decide whether or not to bring out the family to stay in the country. The uncertainties tend to proliferate.

So first the household goods have to be collected and stored in the UK to await shippment out. Then they are packed and transported to the new country. There they are stored again until they can be taken to the new home. The cost of moving home in such circumstances can rise rapidly as storage charges are added to shipping costs. Payment has to be made in advance.

An eventual bill for £2,000-£3,000 is not uncommon and the need for adequate insurance is obvious.

This cover falls under two headings, the first being insurance of the goods while in storage or in transit. Here insurance is voluntary and almost all removers will offer their package insurance contract as part of the service. But it is optional, the household can make his own arrangements or he need not take out any insurance at all.

The policy should cover the goods against all perils — fire, theft damage and total loss, while in transit, on the high seas or in storage and the period of cover should run from the moment the removal men arrive in the UK house to the moment they leave in the new house overseas—even if such a period stretches over months. Most covers are on a full replacement basis—"new for old" and the level of cover should include transportation costs of the replacement furniture and goods. The householder will have to provide a complete inventory of goods covered.

The cost of cover is not cheap. Quotations are usually given individually and depend on such factors as the length of journey and the actual country to which the emigrant or executive is going. Premium rates range from £2 per cent upwards, so the temptation is to ignore insurance. But remember that a high premium means a high risk. It pays to shop round.

The second risk facing the emigrant in moving possessions is that of the remover getting into financial trouble. Three or four years ago a number of small operators, not members of the British Association of Removers (BAR) got into all sorts of trouble—primarily by undercutting the market and operating on a shoestring. There were considerable financial losses for the emigrants involved.

As a result, the association arranged a blanket insurance contract for its members with Credit and Guarantee Insurance Company. This insurance company, which continually vets the removal companies it covers, guarantees that if there is a default on the contract it has the right immediately to take over the arrangements and ensure that the goods are sent to their eventual destination.

Should the removal firm run into trouble, Credit and Guarantee can enter the remover's premises and take control of the goods, getting another remover to fulfil the contract.

If the shipping company is holding goods pending payment, then Credit and Guarantee would take responsibility for those payments to release the goods.

The guarantee is a marketing aid for BAR members. In the literature issued by the removal company, there should be a distinctive specimen of the guarantee given by Credit and Guarantee. People emigrating should look for that guarantee.

PROPERTY

Castles in Spain, ruins in Greece

BY JUNE FIELD

WITH THE abolition of exchange controls in the UK. estate agents and developers of overseas property are finding the competition fierce. British buyers are more cautious because of the economic climate and are spreading their nets more widely.

An agent in Marbelle, Southern Spain, said this week that his London representatives "are simply not producing for us" and that he was looking for UK buyers outside London.

There are two organisations in Britain aimed at monitoring professional conduct, with the question of bonding under consideration to protect clients' money. The Federation of Overseas Property Developers, Agents and Consultants is still in the process of revival, and Godfrey Allen and Partners, Harleyford, Marlow, Bucks, is holding a meeting on September 23.

Last month Chesham Property Overseas, 28a Cadogan Place, London, SW1, got 18 agents together to form the Association of British Overseas Property Agents.

There is a new estate agency in the South of France, backed by a group of estate companies, called "Dreams." It was formed to deal exclusively with foreign clients, and you can dial 01-628 7281 from London, when a voice should say "Your call is being transferred to Nice without further charge."

If you live in Frankfurt, try 611-283541, and in Amsterdam 0 20-437 206. Or write to Mr. Ibrahim Shawan, Dreams, Espace Grimaldi, 11 rue Maccarini, 06000 Nice, for a selection of villas and apartments on the Côte d'Azur from around £50,000, with mortgage facilities up to 80 per cent.

At Villacana, a pretty pueblo-style Canadian-built complex along from Estepona where I watched the sardines and anchovies coming into the fish market, the latest sales incentive is the formation of a Golf Society which gives owners access to 12 courses in Andalucia.

I stayed in one of the new well-finished houses grouped around one of the pools, where the winding flower-filled pathways lead down to the sea. Most of this second phase has been sold, and for details of the next 86 units which are expected to sell between £25,000 to £45,000, as well as weekly inspection flights, contact Mrs. Kay Chapman at the new Villacana sales office, 9, Curzon Street, London, W1 (01-493 8841); or Mr. Bill Kessels, director, Villacana, Playa de la Cancelada, Estepona.

Palomo/OSO told me they are keeping sales moving by promoting their £50,000-plus Spanish-style farmhouses among the vines and pines 5 miles inland from Javea, as a corporate investment. "We will supply companies with information on property values relative to their investment," Mr. David Young, group president, says.

"For company guests we can organise such things as cheap flights, low-cost car hire, and have the swimming pool cleaned and filled and the refrigerator stocked with food."

Companies can also take a lease on a trial period without commitment to buy. Renting from May to October could cost about £4,500, including all the outgoings, and part of the sum will be credited to any purchase. Details: Mr. Young, Agencia OSO, Torre del Puerto, Javea, Alicante; or Mr. Chris Simmons, Paloma Property Sales, 23, Queen's Street, Arundel, Sussex (0903 883588).

Greece is the place for those who don't want to live in a community of compatriots. But there are few agents as such, and you need specialist advice to get you through the formalities. For an initial £2 to cover printing and postage expenses, you can get a four-page Greek property newsletter—*Ariadne*, from Mr. Adrian Ball, Practical Investor, 100 Fleet Street, London EC4 (01-353 8625).

Four years ago Mr. Ball's daughter Josephine and her husband, Canadian Neville Anderson, bought an old house on island of Siphnos in the Cyclades. For a fee (about 5 per cent of the purchase price), they will find you a similar place and help you through the traumas of documentation, restoration and maintenance. A ruin could cost 400,000 drachmae (£9,000), "the house of Anna Chrissophou which just needs simple cleaning and painting to make a pleasant summer retreat," 2,000,000 drachmae, while land is about 300 drachmae a square metre.

New phase of Villacana, near Estepona on Spain's Costa del Sol, where Andalucian-style houses are selling at about £25,000 to £45,000. Details Kay Chapman, Villacana sales office, 9 Curzon Street, London, W1, or Bill Kessels, Villacana, Playa de la Cancelada, Estepona, Spain.

A place in town

These Georgian terraced houses at St. John's Wood Terrace, London NW8, have brand new luxury 3-bedroom, 2-bathroom accommodation built by Marlex Securities, plus garden and electronically operated garaging, all behind the original facade, selling from £149,500.

TAKE THE unpretentious late Georgian terrace house on three floors with its narrow winding stairs, three-across double-hung 12-pane sash windows, and curving fanlight over a panelled front door, and you have practically the perfect town house.

It doesn't take up much space, and provides three or four-bedroom, two-bathroom accommodation.

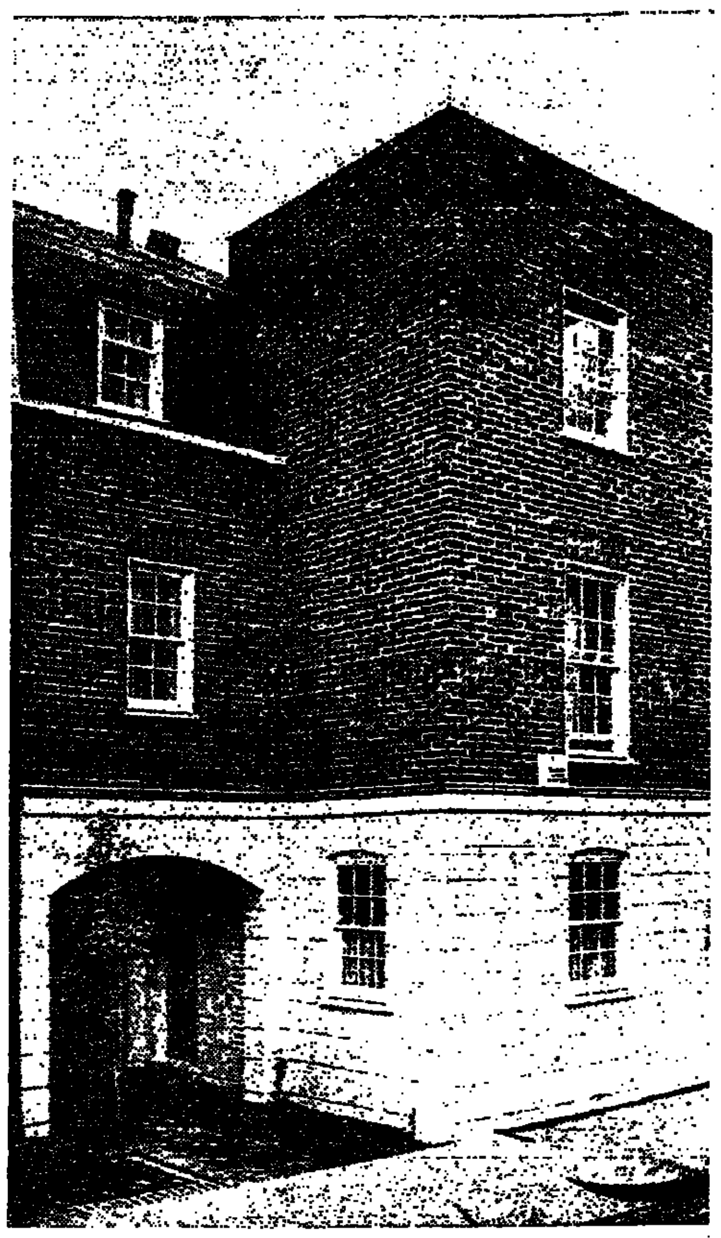
Add a balcony, tiny secluded walled garden and a garage, plus a central London location that still retains a village atmosphere with local shops and the corner pub.

This week I saw two particularly attractive freshly created developments following this pattern, albeit with some variations in dimensions. In St. John's Wood, along from Regent's Park and the glistening gold dome of the mosque, Marlex Securities is building a courtyard project of reconstructed Georgian houses.

On the borders of Belgravia, in conjunction with Grosvenor Estates, Wates Developments, with its architects Chapman Taylor Partners, has incorporated a new square (Ormonde Place, SW1), of Georgian-style houses between the frontages of Passmore Street and Bourne Street.

The pricing is similar for both projects—approximately £125,000 to about £167,000, and both have stylish show houses. The one in Passmore Street is open this week every day from 2-6.30 (details Mr. Roger Horton, Wates Built Homes, 1260 London Road, Norbury, SW16 (01-764 5000), and Mr. Michael Duncan, W. A. Ellis, 174 Brompton Road, SW3).

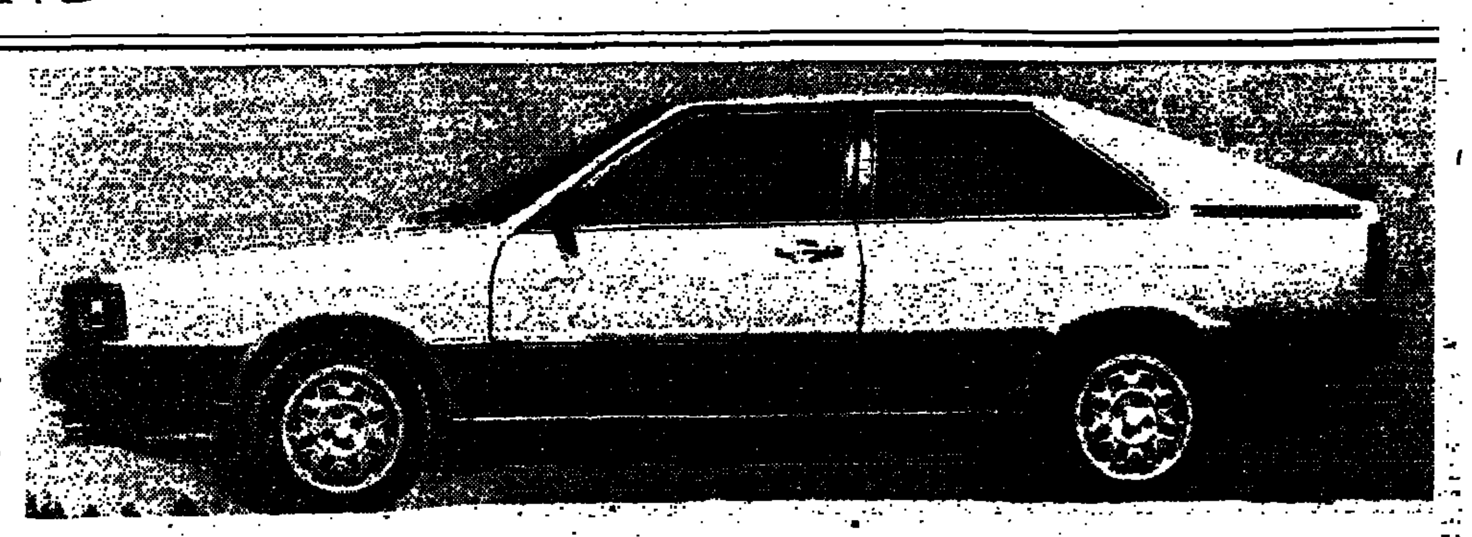
At St. John's Wood Terrace, they open tomorrow, 2-6, with special late evening viewings throughout the month. Details from Mr. John Parker, Brian Lack and Co., 51 St. John's Wood High Street, NW8 (01-536 3088).



One of the 3/4 bedroom, 2-bathroom Georgian-style terrace houses being built by Wates Developments in conjunction with Grosvenor Estates in Passmore Street, Ormonde Place, London. The houses have balcony, garden and garage. Prices range between £125,000 to £165,000. The showhouse, decorated by Peter Jones, opened this week every day from 12-6.30 pm.

MOTORING

Roomy Audi coupé



BY STUART MARSHALL

COUPES are bought by people who like their looks and are prepared to put up with cramped rear seats and, quite often, less than roomy boots. But Audi 80 coupé buyers will have to make no such sacrifice.

It looks good, in an eager kind of way. It isn't conventionally pretty. Rather, the 4/5 seat, two-door body has the same functional shapeliness as a military aircraft. And there really is room for full-sized people to sit in the back, on a seat that can be reached without too much contortion.

Essentially, the Audi 80 coupé has the same body as the four-wheel drive Quattro, which stopped the show at Geneva last March. It demonstrates the ease with which VW/Audi can create a highly marketable new car by clever reshuffling of standard components from other models in their range. The five-cylinder, 1.9 litre engine differs only in detail from those used in the Audi 100 and 200, and Quattro. The five-speed gearbox, with very high economy top, comes from the 200E. Most of the running gear is ordinary Audi 80; the optional power steering is identical with the Quattro's. It makes for great efficiency in production. One can think of some interesting future permutations, a five-cylinder Audi 80 saloon among them.

More than 300,000 of the five-cylinder engines have been produced since its first appeared in the Audi 100 four years ago. It runs as smoothly as a straight-six, costs less to make and maintain and needs less room under the bonnet.

When I drove the Audi 80 coupé in the sun drenched Austrian Burgenland last week, I first tried one with optional automatic transmission. It rode well, cornered flat and was quite fast, reaching well over 90 mph in middle range before the rev limiter cut the still smooth five-cylinder's ignition at 6,200 rpm. The seats, trimmed in what Audi themselves call Sherlock Holmes check, were firmly supportive under cornering stress and there was little mechanical, wind and tyre noise at 80 mph-plus.

The manual version I changed to was more enjoyable still. Third was good for an indicated 97 mph; fourth showed 116 mph; and it felt as if it would run all day at 100 mph in top. Which is not, however, what fifth gear is all about. Fifth is an economy gear; it cuts engine revolutions by 24 per cent and fuel consumption 12 per cent by comparison with fourth and makes the 80 coupé even more tranquil on the motorway.

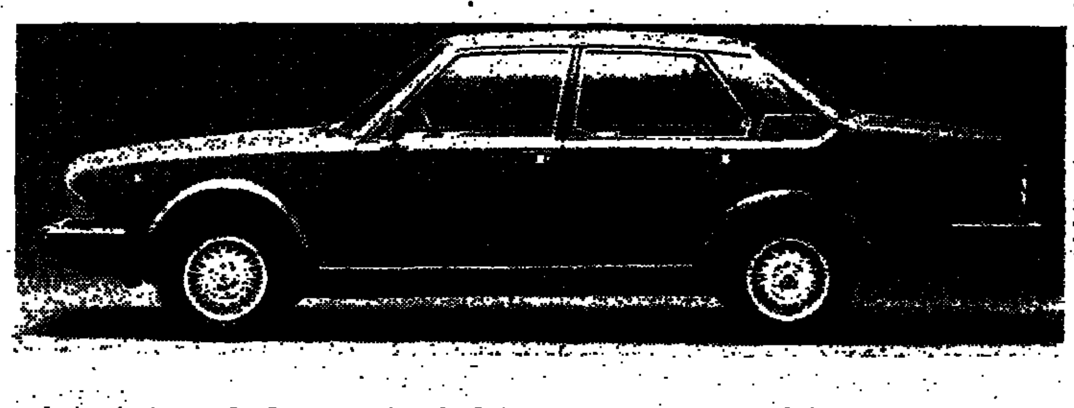
Audi take petrol saving seriously. Apart from a conventional economy gauge on the instrument panel, which warns that a heavy right foot is wasting fuel, electronics make a yellow arrow light up when the driver is using uneconomically high speeds in the gears.

It was, I confess, on for quite a lot of my test drive in the manual gearbox car. The optional extra Dunlop D3 ultra low-profile 60 series radials must take some of the blame. They let me drive it so much faster, though no less safely, on winding roads than the 70 series-tyred automatic that it seemed a shame not to exploit the opportunity. Any of the new generation of squat radials improve a car's handling and road-holding, though not all leave ride comfort unimpaired. The Dunlops permitted extravagantly quick cornering, rode quietly and softly and, when pushed beyond the limit, let go gently.

The 80 coupé goes on sale in Germany in November and arrives here in the spring of 1981. Prices are likely to be in the £7,500-to-£8,000 range, but this will reflect a very high level of equipment. Audi is not really sure which cars the 80 coupé will compete with. The Fuego is an obvious one; the Lancia Beta coupé and HPE are others. So are the Ford Capri, Alfra Romeo GTV, perhaps the Mazda RX-7, and the forthcoming BMW 4-series as well. It may take a few sales from VW's own Scirocco, that favoured second car for ladies living in high-income households, but Audi expects executives of both sexes to go for the 80 coupé.

For business use it has a lot in its favour — a 15-gallon tank that needs filling every 400 miles, luxury seating for two and reasonable space for three more, a large boot and a youthful image. VW/Audi GB expects to sell 2,000 here in the first full year; the factory plans to make between 150 and 175 a day, or 10 per cent of its total production.

Sober Alfa



FOR AN Alfa Romeo, the big Alfa 6 that went on sale here this week at £11,900 is an unusually sober car. The styling is almost self-consciously restrained. The interior, with its carefully colour matched cloth trim, thick carpets and touches of wood veneer, is in the English coachbuilder's tradition.

Alfa have not made so large a car as the 6 for 15 years and it is the only six-cylinder car now being produced in Italy. In length, the 15 ft 7 ins long Alfa 6 falls between the Jaguar XJ6 and the Ford Granada and it is two inches higher than either of them. You sit up commandingly behind the wheel, with a fine view of the road ahead. There is lounging space for two on the back seat, ample room for three. The 17.6 cu ft boot is short from front to back, but deep.

Despite its aldermanic dignity, the Alfa 6 is a fairly vigorous performer. The six carburetter, 2½-litre V6 develops 160 horsepower ("We could easily get 200 horsepower out of it but we consider refinement more important," Alfa say) which gives a maximum of around 120 mph and adequate, if not outstanding, acceleration.

The transmission of the automatic 6 I drove last week was silken when changing up but over anxious now and again to change down into middle. It felt quite a sporty automatic, really, with a neat selector to tempt the Italian motorist, who doesn't understand automatics, to shift gears as though he were driving a car with a manual box. The all-independent suspension gave a flat, comfortable ride; the all-disc brakes were powerful; and the light, power steering felt responsive.

Generally, it is a quiet car though the engine raises its voice when accelerating hard and there is some tyre thump on rough patches of road.

Alfa do not expect to sell many 6s. Quite simply, it is their prestige car, in the same way that the Gamma is Lancia's. In Italy, it provides an alternative for the senior businessman to the otherwise inevitable BMW or Mercedes. To a lesser degree, that will be its role here, too. The price includes an after-sales package of warranty and free breakdown recovery for 12 months and most routine service parts are "on the house" for the first 27,000 miles. Petrol consumption is around 20 mpg.

TRAVEL

HOTELS

MOTOR CARS

BOOKS

Uncelibate lives in S.W.1. BY ANTHONY CURTIS

Nuns and Soldiers
by Iris Murdoch. Chatto and Windus. £6.50, 505 pages

I had the good fortune a few years ago to sit on the same platform as Miss Iris Murdoch at a seminar in London for Japanese university and high school teachers of English. I had never heard her talking about the Novel before, and I was fascinated. She gave a closely reasoned defence of the classical novel which tells a *story, which is funny* as well as serious (like life), and in which the novelist's private experience, pet hates and passions do not obtrude; the whole operation being directed towards the objective presentation of the characters and their fates. So many of the first novel manuscripts she is sent to read are no good because they merely represent ill-digested chunks of the writer's own life. If the hero or heroine of your novel is really you with a fictitious name, then tear it up and try again.

During the coffee-break a *swarm of young Japanese* women descended upon Miss Murdoch and besieged her with questions. Unluckily I was too far away to overhear much of this, but I gathered that *The Bell* was being discussed. Suddently Miss Murdoch's voice, which can be quite penetrating, rang out with a finality of which Lady Bracknell would not have been ashamed: "My novels may be difficult," she said, "they are *never* obscure."

That is certainly true of the latest one, *Nuns and Soldiers*, which obeys all her recommendations of classical form, ironic humour, strong story with old-fashioned love-interest, and characters perceived with maximum detachment. It is a longish *book if you simply count the* words; Miss Murdoch seems to be settling down to a striking rate of around 500 pages per book in a 10-point typeface (two sizes larger than this review) - which is about twice as long as the average novel, something better than 200,000 words.

Yet the novel does not read long. It seems if anything even more compact than her previous book *The Sea, The Sea*, now available in paperback *from Panther at £1.50.* This may be because Miss Murdoch's novels have compellingly logical structure which surely derives from her earlier profession of philosophy teaching. They are sometimes too neat, as if the messiness of life had been reduced to a paradigm or process *of proof. At this same* seminar Miss Murdoch was very insistent that philosophy and novel-writing were completely different ways of viewing experience and did not have much in common, even though a novelist like Tolstoy might take an active interest in certain philosophical questions.

However, one never completely escapes from one's earliest training and Miss Murdoch, though well established as one of our leading novelists, has retained her interest in philosophy. Ten years ago she published a short book on *The Sovereignty of Good* in which she argued a case for the old-fashioned platonic notion of Good with the same cogency as that with which she championed the old-fashioned story-telling novel at the seminar. In 1968 she published her eleventh novel which was entitled *The Nice and the Good*. Later I read her quoted as saying that there was in fact no-one in the novel who was really good—which, if true, I think is rather naughty. Certainly her later, and I feel finer, books have through the form of a Shakespearean love-dance, with the ages of some of the partners widely divergent, *examined the possibility of the* existence of a good person or good action.

To be sure the hero of her last novel, *The Sea The Sea* was *not a good man whatever his* intention in his efforts to reclaim his lost childhood love. In *Nuns and Soldiers*, set mainly in a house in Ebury Street and a farmhouse in the South of France among well-off successful folk, there are two, possibly three, candidates for goodness. One is *a Polish-born English* civil servant known familiarly as the Count whose innate chivalry permits the author to think of him as one of the soldiers of her title; the others are a drunken woman painter *who is trying to write a novel*, and a nun who has left her order because she feels she has some as yet undefined role to play in the world.

This ex-nun bursts in upon her former best friend at Cambridge, now Gertrude Oppenshaw, just at the time when Gertrude's husband Guy, is dying of cancer. There is a subtle and wonderful deathbed scene between Guy who is planning to write a book about punishment and the former nun. Before he dies Guy begs his wife to marry the Count who deeply loves her.

What happens after Guy is gone is the substance of the book. How quickly, it asks, can the past lose its authority? Gertrude proves to have something in common with her famous namesake in *Hamlet*. *She falls helplessly in love with* a man not the Count who is a very different type from her precedent lord and o'er-hastily marries him. Miss Murdoch is normally charitable to her heroines in their amours but she cannot forebear a hint of malice in describing the *thought-process* by which Gertrude adapts to her new husband:

> She was even able to grasp in her inmost heart that Tim was morally inferior to Guy. But her lively versatile love *managed its new economy* with self-regarding wisdom, and she found Tim not only adorable but very amusing.

Gertrude is well observed, and so is Tim, the feckless painter, and his abandoned girlfriend Daisy who, like some latterday Nina Hamnett, spends a lot of time in a pub called The Prince of Denmark.

I do not know when Miss Murdoch was last in a London pub, but this one smacks of the *1940s* Fitzroy Square era. However, this nostalgic anachronism does not invalidate Daisy who, with her brutally frank manner, is perhaps the *least self-regarding character in* the story.

Iris Murdoch: "never obscure"?

*Miss Murdoch has not over*come her fondness for scenes reminiscent of pre-war movies when the hero surrounded by water appears to be drowning only to be saved in the nick of time, and other moments pregnant with symbolic meaning. And she conscientiously *sketches in a circle of aunts and* cousins of Guy's Jewish family whose fates and fortunes crowd the canvas at times to suffocation. But none of these minor annoyances detract from the nature of the entertainment *which is of a high order of in*telligence.

Mama India

BY DAVID DODWELL

Mrs. Gandhi
by Dom Moraes. Jonathan Cape £9.50, 336 pages

Indira Gandhi's response to the sudden tragic death of her son Sanjay in an aircraft accident three months ago was revealing. Not only did she show remarkable stoicism, but she promptly sought to persuade her only other son, Rajiv, to abandon his career as an airline pilot—a career in which he is by all accounts perfectly content — and instead turn to politics.

The response reflects an understandable desire to draw her one remaining son closer to her. But it also betrays her severe isolation, her conviction that at least one of her sons should *continue* the political dynasty begun by her father *Jawaharlal Nehru, and her deep* distrust of politicians around her—perhaps even of democracy itself.

It is a response which Dom Moraes, author of this biography of Mrs. Gandhi, anti*cipated well, though his book* was completed months before Sanjay was *killed*, in the wake of Mrs. Gandhi's sensational election victory in January.

Mr. Moraes, educated at Oxford and well known as a poet and sometime foreign correspondent, held private *interviews with Indira over two* years and has known her *personally since 1968. Despite* a confessed attraction—he finds her "not only charismatic but hypnotic"—his book reveals a complex and lonely woman, driven on relentlessly by a conviction that as a Nehru it *is her duty to rule*, and that as a latterday Joan or Arc, she is doomed to *suffer* martyrdom under the yoke of office.

The book is fascinating, perhaps in the end simply because Indira Gandhi is such an extraordinary woman. While Mr. Moraes is eloquent, his book is too often an account of "my relationship with Indira." Is it essential to know that he sent her a bunch of flowers on the occasion of her 60th birthday, or that she returned his *wave as an electioneering motor* cavalcade set out one morning?

The book provides detail of many of Mrs. Gandhi's personal idiosyncracies — the flickering right eyelid, the passion for flower-arranging, the aversion against being touched, the irrational obsession with conspiratorial "outside influences"—but regrettably offers no glimpse of *this tireless, resilient* and ruthless woman at the helm. Mr. Moraes may have won the privilege of private interviews in Mrs. Gandhi's home, but he clearly never sat as a fly on a wall at a Cabinet meeting or a Congress *party* caucus. Mr. Moraes presents Mrs. Gandhi as an enigma, seen *as a hawk at* rest. The reader rarely sees her fly, and never witnesses her hunting her prey, or at the kill.

One is told often of the hostility between Mrs. Gandhi and her political rivals—Morarji Desai, Jagjivan Ram, Charan Singh for example—but no vignettes are *offered which* bear witness to the fact. Indira's indulgence over Sanjay's more idiosyncratic political or commercial ventures is *described*, but one is never spectator to the flesh and blood of a relationship *which began simply as that of* mother and son and eventually became that of premier *and* sole political confidant.

The author sees Indira Gandhi as "one of the loneliest people in the world. . . . Her whole life, since her childhood, has taken her to an eyrie from *which she will never be able* to escape." He traces with eloquence one of *the most* fascinating periods of Indian history.

Trevor Humphries

Indira Gandhi: global comeback

Despite his admiration, despite his empathy ("she and I resembled each other in a way"), Mr. Moraes pulls no punches when it comes to the terrible excesses which occurred *during the years of emergency* rule—1975-77. He is as sickened by the meek sycophancy of Indian newspapers during the emergency as by their ferocious assaults on her once she had fallen from power.

His sympathy for Mrs. Gandhi —and even, in principle, for her decision to declare the emergency—is in large part due to his profound distaste for the unseemly antics of her political opponents—antics he describes *in some detail. Hence his fond*ness for the comment that Mrs. Gandhi was "the only man in a Cabinet of old women." The Indian body politic emerges in a seedy and unflattering light.

Mr. Moraes' book is not a definitive one—as Mrs. Gandhi begins another era in her political career, no book could be. But as a contribution towards understanding the *psychology of this indomitable* woman it may prove to be of value.

Settlers and others in New Zealand BY CHRISTINE MOIR

These Antipodes: A New Zealand Album 1814 to 1854
by Shirley Maddock. Collins. £15. 317 pages

***Charles Blomfield:* His Life and Times**
by Muriel Williams. Hodder and Stoughton. £11.95. 192 pages

The first century of European settlement of New Zealand has been subjected to such microscopic scrutiny that one wonders *how* publishers can *face* the manuscript of yet another nostalgic pleasure cruise. Yet still they come.

The latest contribution, from one of the country's established television professionals, Shirley Maddock, begins modestly enough. In the introduction *Miss Maddock admits* that,

> "for a land so small that its inhabitants are well used to finding its outline only partly visible on world maps, we bear on our backs a ponderous weight of words."

Sadly, the acknowledgement does not prevent Miss Maddock from adding her own 300-plus pages of text and illustrations on the 40-year period from 1814 to 1854.

Miss Maddock has certainly done her homework; pored over journals; conversed with librarians and museum keepers; visited the places where history was made. But the result is sadly flat. I cannot *swear* to have read before the precise extracts from the same journals but memory keeps insisting that I have read much the same thing. Perhaps, as an expatriate, I am too harsh a judge. Freshly aroused by the courage, vivacity and fortitude of those who made that landfall in unknown seas, I would find space *for wonder and enthusiasm.*

The minutiae of the civilising process—as life gave way from pre-occupation with the weatherproofing of tents to the *establishment of district coun*cils—is fascinating for its closeness in time. This was my great grandmother's world, who had been born into the ordered hierarchy of Victoria's early reign.

Perhaps the problem Miss Maddock cannot overcome is her scattered source-material. Far *more satisfying is the biography* of Charles Blomfield, New Zealand's most ubiquitous and greatly loved Victorian painter, by his grand-daughter Muriel Williams.

Extracts from the letters, *diaries and family reminiscences* of just this one man have a sense of veracity and immediateness lacking in Miss Maddock's overview.

Blomfield's *story* covers the period immediately following *Maddock's odyssey. In 1862, as* a 14-year-old, already imbued with the deep religious conviction which made him so much a product of his age rather than ours, Charles emigrated with his parents. Almost immediately he felt the urge to learn to draw and paint as his response to the *country's newness and untamed* beauty.

Blomfield must have been a difficult man to live with, forever tramping off for months on end to paint some remote unvisited spot leaving his wife (with the *inevitable latest addition to the* family) precariously waiting on *the proceeds of some chance sale* of a painting.

But the paintings themselves —and the letters he wrote home —are a rare heritage. Would we had also listened to his prophetic warnings that uncaring *settlement was destroying the* wonders of the virgin country*side even more finally than the* great eruption annihilated the famous pink and white terraces, the geological phenomena Blomfield preserved in paint just before they were smothered in lava!

Blomfield used *his columns* in the local newspapers to plead *for preservation policies which* would treat the finest parts of the New Zealand Bush as more than just wasteland to be brought under cultivation. His words were little heard at the time. Now they have a poignancy *all the more enhanced by his* painterliness.

Social workers under fire

BY SARAH PRESTON

Can Social Work Survive?
by Colin Brewer and June Lait. Maurice Temple Smith, *£9.95.* 235 pages

Do social workers solve the problems the community brings to them? The unequivocal answer of this swingeing diatribe by a social work teacher *and a doctor*, who has specialised in psychiatry and medical *journalism, is that they do not.* The authors would pull down the social services departments which were set up in 1970 on the lines suggested by the Seebohm report. Instead, they would attach social workers to local authority *departments* with specific functions like housing and to general medical practices.

There are many who will find the belligerent tone of the book offensive, not least those social work *professors who are* described as "one-eyed kings in the country of the blind." It will be a pity if they, and anyone who is concerned about the way nearly two-thirds of public expenditure is managed, turn *away from this book in disgust* at the authors' intemperance. For in spite of their exaggerations, the glee with which they unveil incompetence and the omission of evidence which does not support their case, they *make some valid points.*

The most fundamental of these is that many social workers are confused about their function. They are unwil*ling to be mere postboxes for* complaints, expensive citizens' advice bureaux, pointing their clients towards other professionals and making sure that claimants receive their due from the State. On the other hand *they do not dare in their psycho*therapist role to take the responsibility of shaping lives by being overtly directive. The authors analyse the scant evidence that exists about the effectiveness of social work *methods and find that counsel*ling by itself has little value. However, where there is a practical goal, clearly set down and agreed by the client and his social worker, then there is some hope of achievement.

It follows that the task should be defined as soon as every case is referred. There should be an effective case review system to check progress. Time limits *should be given for all work* and the client should understand and agree from the beginning the nature and extent of the intervention by the department or organisation.

The effectiveness of social *workers would increase if these* rules were followed but to *abolish the present social ser*vices departments as the authors suggest would be counter-productive. One of the reasons the Seebohm report called for separate departments and a generic social work service was *to cut down the multiplicity of* services which duplicated the time and effort spent on one family's problems. This is an aspect the authors skate over. It is an unfortunate fact that problems do not come singly. *If a child is before a juvenile* court as a truant it is often the case that his family is badly housed, money is scarce, Dad disappeared some years back, another child is disabled and Mum is chronically depressed. *How many social workers* attached to how many departments would be needed here and who would perform the many statutory duties of social workers especially towards children?

Like the radical social workers they condemn Colin Brewer and *June Lait would be better con*centrating on how to improve the system than plotting to abolish it.

PAPERBACKS

ANTHONY CURTIS

The lyre in Palmers Green

"STEVIE SMITH," writes Robert Nye "is the lady in the *corner of 20th century verse in* English, the one with the ghastly floral hat and knitting Only when you look closer do you notice that those flowers are real and still growing and that what you took for knitting needles are actually daggers."

The vogue for Stevie Smith that has grown and grown since her death aged 68 in 1971 has several explanations beyond the sly quizzical charm of her work. There are not when you get down to it all that many women writers for feminist publishers *to revive and Stevie was* an obvious choice, as the appearance in paperback of two of her novels as Virago Modern Classics testifies, *Novel on Yellow Paper* (£2.50) and *The Holiday* (£1.95). In this series she takes her rightful place alongside Rebecca West, May *Sinclair, Christina Stead, F. M.* Mayor, Emily Eden.

These reissues plus the appearance of her *Selected Poems* as a Penguin, edited by James McGibbon (£1.50), would not by themselves have done the trick. Six years after her death Stevie was the beneficiary *of an unforeseen piece of* posthumous good fortune. In 1977 High Whitemore, skilled TV playwright and adapter, wrote a play about her; Glenda Jackson agreed to play Stevie, and Clifford Williams to *direct it.*

It was an unpromising enough subject in all conscience: an eccentric English spinster who wrote verse, had a secretarial job in London, and lived with a maiden aunt at 1 Avondale *Road, Palmers Green.* However, thanks to the artistry of those involved among whom one must include Mona Washbourne, who played the aunt, it was in its quiet way a rave success and went on to perpetuate the image of *Stevie on film and on* television. Besides its beautifully accurate depiction of suburban survival, with its revififying sherry-drinking and terrible days when a tax demand lands on the mat, it penetrated to the heart of Stevie's predicament shared by so many writers and would-be writers, *that of the* double life.

One of them put it like this: "As I waddle along in thick black overcoat and dark suit with a leather brief-case under my arm, I smile to think how this costume *officially disguises* the wild and storm-tossed *figure of Palinurus: who knows* that a poet is masquerading here as a whey-faced bureaucrat? And why should they ever know?

That of course was Cyril Connolly; where it broke down in his case was that he never actually published any poems. *But Stevie did;* several volumes, written in the interstices of an *exacting* office job at Newnes-Pearson, where she was private secretary to Sir George Newnes and Sir Neville Pearson. She used yellow paper for carbon copies and she borrowed some of it when she wrote her first fictional effort; hence its title. Like the later *The Holiday. Yellow Paper is an astonishingly* self-indulgent performance in *which* Stevie, her friends and relations all appear under jokey fictitious names, and it possesses almost no story or discernible structure. "Shandean" would be a polite way of describing the form of Stevie's novels. They *are not, therefore, to be recom*mended as particularly easy to read *but* they do capture the weird flow of her mind remarkably well, its perpetual switching from the sublime to the ridiculous and back again. They give, too, a chilling sense of the incredible insularity of the British intelligentsia just before and even just after the war.

In the end, the *strain* of leading two lives proved too *much for Stevie and she had to* give up the job. As she told her friend Kay Dick in a conversation published in the memoir *Ivy and Stevie* (Duckworth, 1971): "I always said to my unfortunate employer, 'Well, I'm not really here.' Now this is a very profound remark to make because the *accent is on the* 'really.' You see I must have felt *all* the time, '*My* real me is not really here.' It's a very neurotic thing because actually of course my real me was."

Something of this tortuous *dilemma was brought out in the* play. For those who failed to see *it* there is an LP, *Glenda Jackson reads Stevie Smith* (Argo ZSW 608), in which about 50 of her poems are recorded including the much-quoted, rather sentimental "Not Waving But Drowing." Miss *Jackson's cut-glass enunciation* is well suited to both Stevie's meditations on animals and her running dialogue with the Christian faith. She often used to give readings herself and was much in demand for this toward the end of her life. One can hear her own way of reading *on Argo PLP 1188.*

Already it is possible to see her in perspective as a classic English spinster who genuinely prefered a hotwater bottle to a *husband; or, to put it with more* dignity, who refused to be possessed by anything or anyone except her own genius. As such she has symbolic importance.

Freud's ego

BY REX WINSBURY

Freud: The Man and the Cause
by Ronald W. Clark. Cape and Weidenfeld £9.95, 652 pages

"*They're sending you the* book on fraud," said the girl in my office, making a delightful Freudian slip, since this biography of Freud is nothing if not honest about the weaknesses of this dogmatic and schismatic genius. In his massively detailed but eminently readable *account of the man's dedication* to his cause, Ronald Clark frankly admits that "it is necessary to ask how successful he was, not as an investigator of the way in which the mind worked, but as a doctor curing sick patients. The evidence is remarkably slight."

Where Freud excelled was in the politics of his own move*ment.* Indeed, the parallels with the birth and later history *of Marxism are all too easy. Just* as the international Marxist movement split between the followers of Lenin ,Trotsky and Martov in 1903, so scarcely a decade later the international psychoanalytical movement split.

Both schisms have in retrospect the air of medieval theological disputes, with papal authority, or claims to it, carrying far greater weight than respect for truth or scientific inquiry (if indeed either field is apt for scientific inquiry). This would matter little but for the practical consequences that followed, for it has been argued with some justice that of the two great *Jewish-German* thinkers that have dominated *this century, one* conquered the Soviet Union and its empire by *his doctrines, while the other* conquered the United States and its empire: and both declared the other anathema.

Indeed, Freud's reference to "the Adler gang," and "the brutal sanctimonious Jung" have all the air of communist vitriolics. The chapters covering these political schisms are among the best in this book—*perhaps inevitably, since Freud* apparently took good care to obscure much of his personal life by destroying his papers. This makes the book inevitably weaker on purely personal insights into Freud.

GARDENING

ARTHUR HELLYER

Making house plants happy

THERE ARE *not many authors* who can claim to have written *a book that has sold more* than 5m copies. Dr. D. G. Hessayon has reached the magic figure with *Be Your Own House Plant Expert*, the most popular of a highly successful series of books of similar character such as *Be Your Own Gardening Expert, Be Your Own Lawn Expert*, and others.

They have all commanded attention because of the masterly way in which Dr. Hessayon assembles his material, presenting it with a wealth of pictorial explanation which enables even the dullest reader to grasp instantly what is being recommended.

This is an appropriate moment to pay tribute to Dr. Hessayon's unique influence as a horticultural instructor of the general public, garden minded or otherwise, since *Be Your Own House Plant Expert* has just been replaced by a new and enlarged edition with *a shorter title, The House Plant Expert* (Pan Brittanica £1.95).

A first impression of 300,000 copies testifies to the faith of the publishers, in the new book even in a period of recession *and I see no reason to question* their optimism for this is a first *class book and, anyway, garden*ing has a habit of doing well *when other things are doing* badly.

Most writers on house plants make a division between those grown exclusively for their foliage and those that are chosen largely for their flowers, usually emphasising the point that most of the really easy, shade tolerant plants are to be found in the first group. Dr. Hessayon carries this distinction a step further, splitting the flowering plants into two chapters headed "Flowering House Plants" and "Flowering Pot Plants."

If that seems a trifle less clear than most of his writing, he *does explain* that flowering pot plants are only to be regarded as temporary residents indoors, either to be discarded when they have finished flowering or to be given a period of recuperation in a greenhouse or outdoors, *whereas flowering* house plants can be expected *to go* on happily for years.

There is a good deal of sense in this distinction, though I would not have included such orchids as cattleyas, miltonias, *incidiums and odontoglossums* in the house plant section unless *they are to be grown in a* terrarium or plant cabinet *which* Dr. Hessayon mentions but does not seem to regard as essential.

I am also surprised that the ever popular cymbidiums are omitted from his list of suitable orchids. Undoubtedly many miniature varieties are bought as house plants and they often succeed well though, as with all orchids, there is the problem of overcoming the *relatively dry* air of living rooms, which *orchids detest. That, of course,* is where the plant cabinet *comes in, for the air inside it* can be kept just as humid as the plants require.

Dr. Hessayon delights in the acquisition of unusual items of information which no one else seems to possess. Who knows, *for example* (or who, for that matter, could deny it should it perchance be incorrect?) that 12 per cent of indoor plant owners grow some of their *plants in their bathrooms?*

Americans apparently do so a great deal more than us and actually call *Philodrendron scandens*, that almost indestructible tropical climber with aerial roots that can attach themselves *to* bark or moss packed cylinders, the Bathroom Plant. Dr. Hessayon calls it the Sweetheart Plant, a name equally unfamiliar to me and far more inexplicable.

There certainly are advantages about bathrooms as habitats for plants just as there are for kitchens and for the same reason that the air, at any *rate at some periods, is moister* than it is in living rooms. My *aunt grew a good collection of* saintpaulias most successfully on her kitchen window ledge for many years until they were suddenly and fatally attacked by disease, probably botrytis or grey mould, that bane of all plants grown in closed atmospheres.

A friend used his bathroom for the strange Stag's Horn Fern, *Platycerium bifurcatum*, strapped to blocks of cork covered with *living shphagnum* moss and claimed that this was the only place in which they would thrive.

According to Dr. Hessayon's *researches* 51 per cent of indoor plant owners use their kitchens for plants, 79 per cent *their* living rooms, 28 per cent their dining rooms, 34 per cent their halls and landings and 11 per cent their bedrooms.

Shooting parties BY ISABEL QUIGLY

Getting Even
by Edward Behr. Hamish Hamilton, £5.95, 246 pages

The Shooting Party
by Isabel Colegate. Hamish Hamilton, £5.95, 181 pages

The Crow Eaters
by Bapsi Sidhwa. Cape, £5.95, 238 pages

Getting Even is a shrewd, worldly novel, a thriller in the ordinary sense that it's about agents and double-agents and threats of nuclear war, but a psychological teaser too, dramatically plotted and almost intolerably tense.

The setting is today's world of overlapping but not communicating East and West: the Chinese embassy in London, a female third secretary who tries to defect. When Forgeot, a Frenchman who helps her to do so in Paris, finds her kidnapped *and restored to China, he deter*mines to get even with those who took her, even if it *involves* the world in a close shave with *the ultimate catastrophe.*

As he is in security at a high level and has unusual contacts around the world, he manages to set up a situation in which, as payment for averting the disaster he himself has almost produced, he can ask for the girl's return. What happens is both plausible and very complicated. And he gets back the girl. But *how*, and in *what* shape—that's another matter, a new unwritten story.

Edward Behr, a journalist, has expertise to know what's what in high-level international circles, in the world where *espionage, politics*, expediency, self interest and a pinch of patriotism combine; a world of violence and luxury, sudden death, mangled relationships. He seems to be writing very realistically about the almost unimaginable, to know the customs and conventions of all sorts of milieux: just what sort of food is eaten here or there, how oriental attitudes work in practice, what manners can be expected from what people where and when, how death by torture *affects not* just its victim but those who find him. A satisfactory read, chilling, clever, disturbing.

The Shooting Party is a period piece, an image of attitudes in 1913, the year before a *period ended and attitudes*, in the "bigger shooting party . . . in Flanders," forever changed.

A large cast of characters is assembled in an Oxfordshire country house, and, on a single day, things happen. This familiar literary device brings disparate people together and entangles all sorts of solitary *threads, those of gamekeeper*, poacher, family servants, local doctor, anti-bloodsports fanatic. Then there are the family and guests who cluster round the central figure of Sir Randolph, a dear old man, and his flightier *wife* Minnie (who may, or may not, have been the late King's mistress; but it scarcely matters which, since infidelity with a king doesn't count).

The day's shooting, in which *one of the beaters is killed*, is a catalyst that changes relation*ships, shifts* opinions, for a moment makes ordinary people into seers, and radically alters one life, at least: the socialist who carries a placard saying, "Thou shalt not kill" enters a monastery, feeling desperately, as the poacher dies yelling "God save the British Empire," that "he *wanted* to fell the players not just that they were *using* the wrong rules but that they were playing the wrong games" (echoes of Orwell, here).

There is plenty of retrospective *irony, of course, from* nearly 70 years later, and I think it an artistic mistake not to confine the action within the one fateful day and let it speak for itself, its ironies tingling *without further explanation.* But the book goes on a little, through the War, who is killed, who survives, who lives how; whereas all that might have been left implicit in the single action, an image of contemporary society.

But it's an enjoyable book, *quietly competent*, intelligent and agreeable; spreading itself a bit too widely to go deeply into anyone character but producing a good mainstream metaphor of its time in the luxurious, country-house life "mortgaged to the *hilt*," the good-hearted Sir Randolph with *his commitment to the country*, the chorus-like but realistic *yokels, the outsider* who cannot help because he cannot under*stand* what's happening, the violent death that results from rivalry; even the love affairs and near-love affairs, all to be overwhelmed in a year's time.

The Crow Eaters, a first novel, has documentary interest more than anything else. *It is a* compendium of information, *amusingly displayed*, about the life of Parsis in Lahore. Faredoon Junglewalla, generally known as Freddie, is involved in a lifetime of quarrels with his stout mother-in-law, while making money as a shopkeeper and raking in the insurance value of goods he has set fire to.

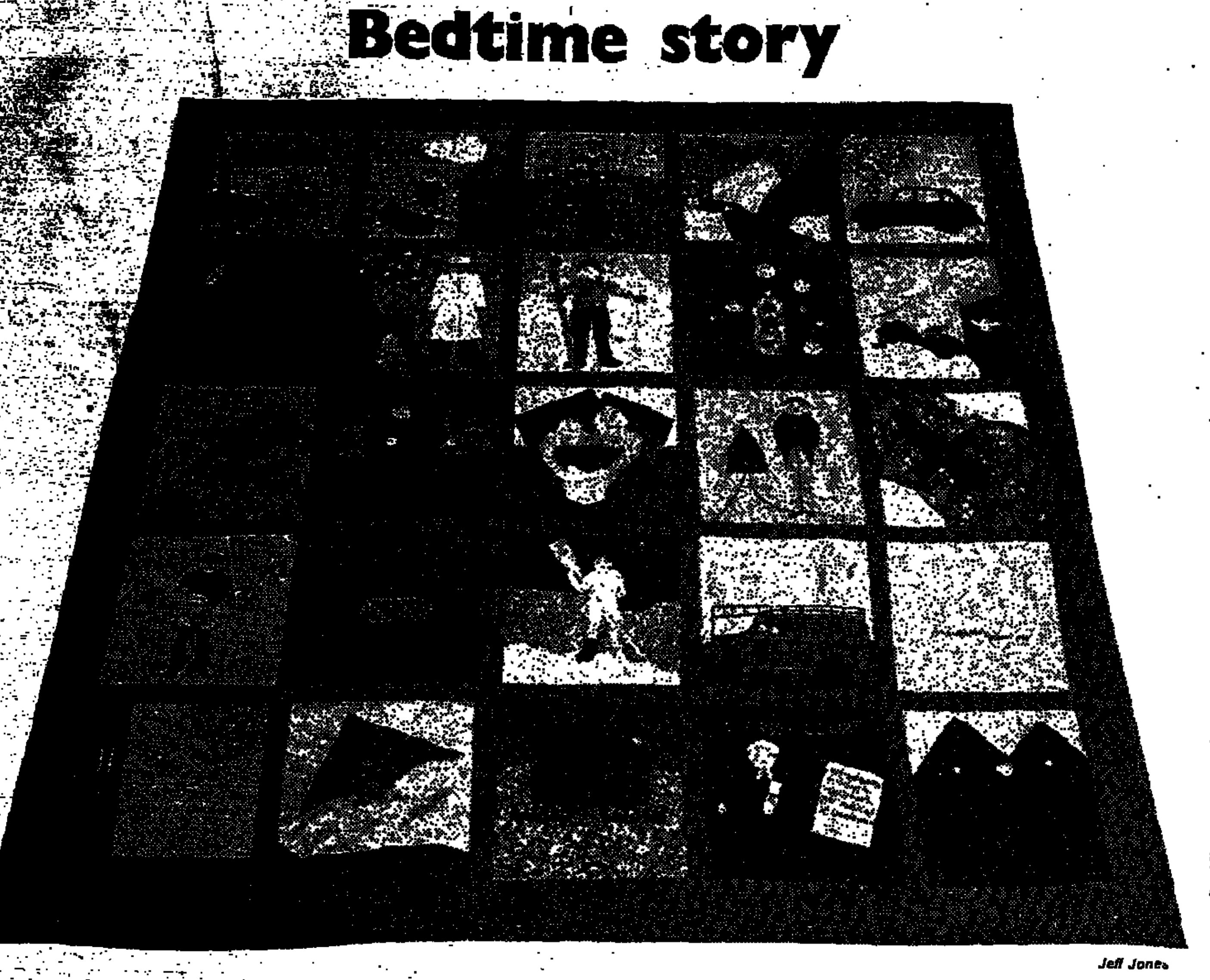
The details of Parsi life are interesting, particularly those of washing, of ritual behaviour of all kinds, and when Freddie and family come to London and external things are more familiar the irony of westernised Freddie and his unwesternised relations becomes extremely lively.

At present a vivacious but undeveloped talent seems to be hiding under the rather too obstreperous satire, but time and practice may bring out the one and make the other subtler.

HOW TO SPEND IT

by Lucia van der Post

Bedtime story



Jeff Jones

EVERY NOW and again almost all of us want to find a very special present — to commemorate perhaps a birthday, a wedding anniversary or something else special in our lives. Instead of buying something mass-produced, it is a great pleasure on such occasions to plan a little in advance and commission something unique.

Living Art is a small shop cum gallery at 35 Kenway Road, London SW5 where everything that is sold and on display is a one-off. Besides glass, pottery and calligraphy it also offers a selection of textiles and starting on Tuesday there will be a special exhibition of hand-made patchwork quilts and some clothing by Suzanne Leverington Designs.

*The name stands for a two-*girl band who like to work to *commission. They will do quilt*ing, patchwork and appliqueing *on a variety of* patterns and colour-ways but their great *specialty is doing "story"* quilts, like the one in the *picture. This* particular quilt was designed for a particular *client and each frame* of the quilt features some aspect of *his life. Because it is so per*sonal this type of story quilt *costs £250 — not a great deal* when you think that there are 25 frames, and it represents some two months work.

Other quilts start at about £135. If you're interested make sure of visiting the exhibition before September 27 when the quilts will be returned to their owners. The girls can always be contacted through Living Art (Telephone 01-370 2766).

Plumb crazy

IT ALL STARTED the day the basin *fell* off the bathroom wall. Well, not fell exactly. Rather, slipped. One minute it was a fixture, the next it wasn't. There was an ominous rumble and one support leg dropped off. Result—one basin dangling drunkenly in mid-air.

It hadn't escaped us, of *course, that our rented* Putney flat offered antiques in the *bathroom. Indeed, I'd* taken quite a shine to the six foot enamelled bath with its ball and claw feet, but one glance at the spaghetii junction of lead piping snaking below the weighty basin, and the problem was crystal clear.

As newcomers to the area, *when it came to choosing* a plumber we preferred to take *the recommendation of a local* friend rather than risk pot luck, *though it later transpired she'd* only received his card through the letter box. An appointment was duly made, the day dawned but the doorbell never rang. I repeated the whole procedure and still no one came. *This hap*pened another three times. On no occasion was any apology or explanation offered by the plumbers' telephonist.

Still the basin swayed on the wall. Washing was reduced to a cat's lick and we lived in fear of the flood. A trip to the local cinema then brought to our attention another firm which boasted a 24 hour service. In desperation, I rang. They said they'd be round soonest. This time the doorbell rang. Enter plumber number two.

Two leather jacketed youths walked in—one said he was "helping his mate out"—and after a briefing on what was wanted (just a basic patch-up job), *he sized up the work* in a glance and a phone call to the "guv'nor" later, offered us two alternatives.

*Either, he said, he could re*attach the existing basin, a complicated business apparently involving plaster work, or (and *this he insisted* was the cheaper option) he could replace it with

"An estimate? Well, think of a number . . . then treble it!"

a new lighter pedestal basin and piping to match, a mere £185.

As it happened the landlady, rather a vague sort, had unbeknown to us arranged for her own tame plumber — a one-man band — to come along the following day, so I was obliged to send the youths away, after paying the call-out charge of £6 plus VAT.

In the circumstances, this was a narrow escape. For re-attaching the errant basin to the wall, admittedly no work of art but the basic patch-up job asked for, plumber number three charged £25.

My curiosity aroused, I later contacted two independent *accredited plumbers and* asked their opinion. Each one separ*ately estimated at the most £75* to do the job well which taken *as a guideline* reflects the slap-dash methods of the £25 deal and the sheer opportunism of the £185 quote.

So what's the moral of this cautionary tale? Next time, should such an unlucky day dawn, I'll be taking no chances and will consult one of the national representative bodies *of registered plumbers.*

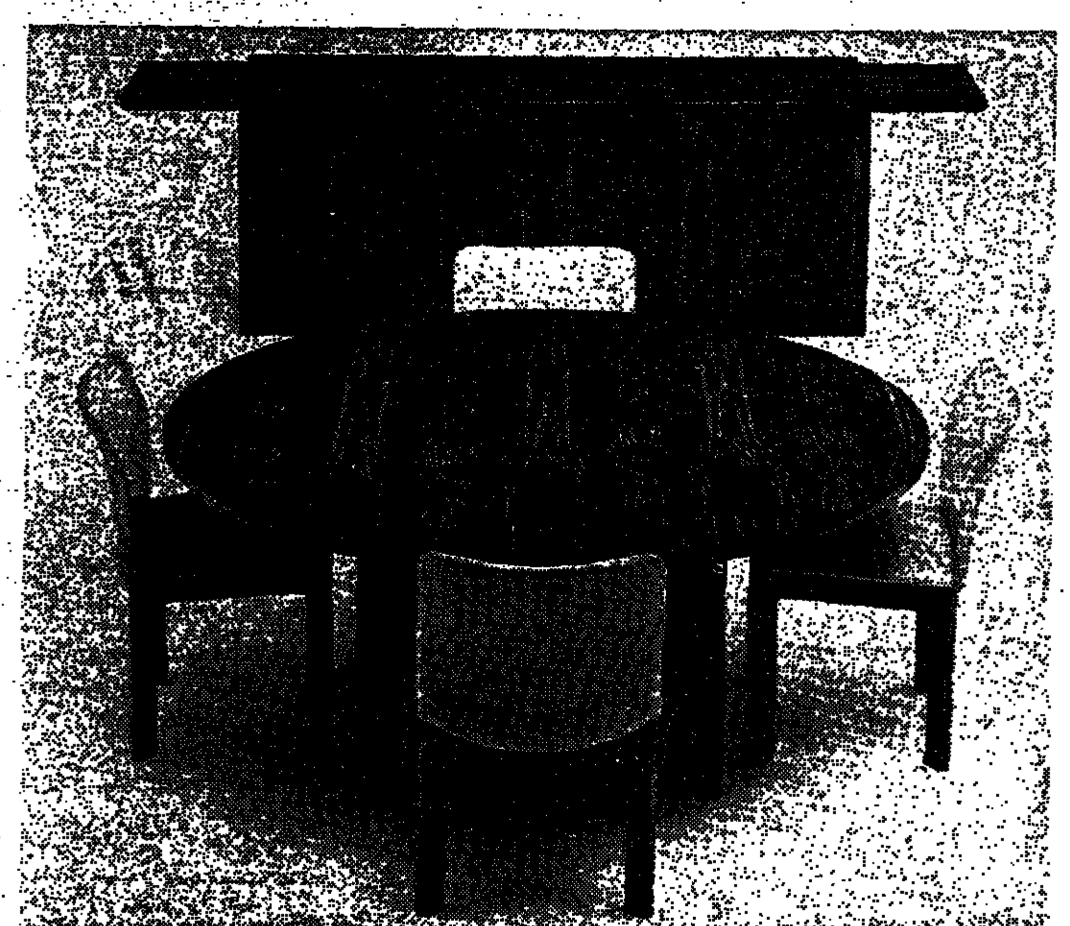
There are the two plumbing employers' Associations whose members are vetted carefully: the National Associa*tion of Plumbing*, Heating and Mechanical Services Contractors, 6 Gate Street, London WC2 (telephone 01 405 2678) which on receipt of a sae will send a list of about 3,000 qualified plumbers in England and Wales; and its counterpart the Scottish and Northern Ireland Plumbing Employers Federation, 2 Walker Street, Edinburgh (telephone 031 225 2255) which has more than 1,000 members and will send a list free on request.

Then there's the Institute of Plumbing which tends to deal *largely* with self-employed plumbers, and which demands various professional certificates before acceptance on the register and the accompanying title Registered Plumber (RP). Although not exhaustive this list is available in many public libraries and in the offices of Water Authorities. Or you can obtain a list of registered plumbers in your area by writing with a *sae* to the Institute of Plumbing, Scottish Mutual House, North Street, Hornchurch 51236.

Of course, this does not mean *there are not very competent* plumbers who don't happen to *belong to any professional body* but unless you find them *through sound personal* recommendation keep clear. You're *doing yourself* and the bank manager a favour by cutting *down* on the risk factor and heading straight for a qualified register. Indeed the profession *itself* is concerned about its image and has been battling for the past four years to establish an overall statutory or even voluntary national register.

Feona McEwan

English style



AS ALMOST everybody knows British furniture has been having a very bad time of late so it seems particularly courageous for a new British company not only to start up now but to launch on to the market a range of simple, beautifully made and quite expensive products.

Design Furniture is the name of the company but there is nothing new about the partnership behind it which is Archie Shine (who for many years was one of the most ardent promoters of modern British furniture) and one of our most eminent designers, Robert Heritage.

Design Furniture is a sub*sidiary of Minty Furniture* which is a well-known company that has been producing upholstered furniture for many years.

For its first project, Design Furniture decided to launch a range of dining furniture which it believed to be the area most in need for some different, mod*ern pieces. Though the lines* are extremely simple, indeed *they have an almost Oriental* simplicity about them, the *total effect is* prevented from being too austere by the richness of the markings of the wood used. Some people may find the strong graining of the Rio rosewood from Brazil and the Macassar ebony from the East Indies a little too rich for their taste. However, wood of this colouring is more likely to tone in with the kind of woods that people willing to pay these prices will already have in their homes. In particular it should blend in well with any fine antiques.

I like the extending devices used in all the tables.

The sideboards are also extremely *nicely thought-out*—there are lift-off tops and a *flexible choice of units* that can be used in different combina*tions. Cutlery drawers are well*-finished, there's a good fridge *for storing drinks, ice and the* like, there are smoked glass display cabinets, all of which offers the potential buyer a great deal of variety.

Prices are not low but nor do they seem to me excessive for the quality that is being offered and just as with clothes buyers tend now to think in terms of investment dressing, so it is even more necessary when buying furniture. The dining-tables are £480 for the Cordova circular extending table and £614 *for the larger versions. Side*boards vary considerably de*pending upon the chosen com*bination of units—the most *luxurious version could* be as much as £1.231, while a smaller *unit could be £516.*

If you want to see the complete collection it is now on sale and display at Heal's of 196 Tottenham Court Road, London, W1. Later it will be going into other good furniture shops.

Sports support

JUDGING by the response to the strapless bra that I featured way back in the early summer, finding the right bra is a perennial female problem. Those women who play any kind of sport will have found that ordinary bras aren't entirely satisfactory.

Warner Gold did a lot of research into the matter and found that many women suffered from various degrees of discomfort and injuries when wearing ordinary bras for sporting activity and so it designed the Warner Gold Sportswear range which has done away with most of the problems. Made from cotton, Lycra and Polyamide, the Gold bra keeps breast movement to a minimum and has as little in *the way of extraneous decora*tion, trimmings and elastic bindings as possible. It absorbs perspiration yet allows the skin to breathe, leaves the shoulder-blades free and can *withstand frequent hand-wash*ing in mild, soapy water.

Jan Wheeler

Find it at many sports stores as well as Harrods of Knightsbridge, London SW1, where the bra is £6.95 and the matching *briefs, £5.50 (p & p 80p).*

Act naturally

IF YOUR idea of herbs stops *short at basil in the Bolognese* and sage in the stuffing, then, like too many of us, you're simply missing out.

For the business of flavouring food is only one role in the extensive repertory of this most useful family of plants.

Long before chemicals and synthetics took their place in the medicine and cosmetics industry, man tumbled to the curative powers of plants. *Our forbears* have been treating ailments and remedies with *herbal concoctions since Anglo-*Saxon times. It's nothing new.

*Today with the growing dis*enchantment with all things synthetic, we are seeing a reversion to natural aids in beauty and health care, wherever possible.

One of the most convincing and enthusiastic voices on this issue comes from "beauty" queen Kitty Little, whose herbal skin care products, launched just three years ago, have taken off in a big way.

An ardent believer in the intrinsic powers of nature, 31-year-old Kitty Little bases her pure unadulterated products on time-honoured recipes gleaned from early manuscripts and ancient herbals.

Now she spreads her gospel further when she spills some of *her secrets in Kitty Little's Book of Herbal Beauty.*

Not for the narrow minded, it's a sort of grow-your-own-*pharmacy guide crammed* with scrumptious sounding treatments and remedies that open up new horizons and make quite absorbing reading.

Besides recipes for the predictable moisturisers, *soaps*, hair conditioners and the like (though these are exotic enough — lettuce soap, cucumber and yarrow cleanser and so on), there are some

Jan Wheeler

A pretty package: Kitty Little's latest Body Care products make washing a sweeter business. Bath pillow, about £5.95.

intriguing solutions offered to many a personal problem.

You'll learn that diuretic teas, for instance, made with dandelion or lady's mantle are an antidote to excessively sweaty feet; that a decoction of sage is just the thing to condition and darken the eyebrows; and that a fresh fig poultice takes care of circles under the eyes.

The worriers of the world should take heart from the chap*ter on that man-made condi*tion, stress. It appears that the *panacea for jagged nerves*, as Homer and Virgil well knew, is *an infusion of violet flowers. And* for headaches, swop your pills for soothing lavender. Just a tiny drop on each temple, according to Ms. Little, who speaks from experience, works wonders.

This book with its sound no-nonsense approach, refreshingly free of quirkiness, will do much to dispel the cynicism that natural remedies are in danger *of attracting. Like a good recipe* book, the author examines the basic practicalities, such as patch tests, measurements and *sensitivities.*

All the herbs mentioned in *the book can be bought or pre*ferably grown in this country—*Kitty Little herself grows some* 90 varieties in her back garden —instructions are given on planting, gathering, drying and storing.

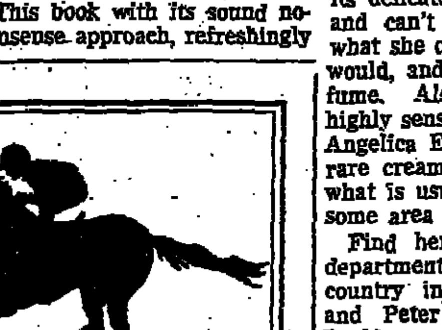
For those who feel their fingers aren't green enough to tackle growing their own herbs, there's a whole range of Kitty *Little skin care products* based on the same herbal philosophy.

Having tried out a number of Little products, I am firmly hooked on her Body Lotion with its delicate pot pourri perfume and can't wait for her to do what she once promised me she would, and make it into a perfume. *Also, suffering from a* highly sensitive skin, I find her Angelica Eye Balm one of the rare creams that I can use in what is usually a most troublesome area of the face.

Find her products in good department *stores* around the country including John Lewis and Peter Jones in London; Rackhams of Birmingham; Fenwick of Newcastle, Brent Cross and Bond Street, W1; Kendal Milne of Manchester; Jenners *of Edinburgh.*

Kitty Little's Book of Herbal Beauty, £7.95, is published by Jill Norman.

F. McE.



CHESS

LEONARD BARDEN

THE WORLD *championship* candidates final this autumn *will* be between Viktor Korchnoi (ex-USSR, now Switzerland) and Robert Hubner (West Germany). The winner of their 16-game match will challenge Anatoly Karpov (USSR) for his title next summer.

Age and experience will take on relative youth: Korchnoi is 49, his opponent 31. But whereas in the last three candidates series Fischer, Karpov and Korchnoi outclassed their opponents, the 1980 matches have been close and the impression is that Korchnoi and Hubner are primi inter pares rather than clear-cut next best to Karpov.

Korchnoi knocked out the *official Soviet contender* Lev Polugaevsky 7½-6½ by winning *the fourth*, eighth and fourteenth games, all with the black *pieces; Polu won the sixth* and twelfth. Polu put up the best *fight of all Korchnoi's* former compatriots apart from Karpov, and *his two wins* were both achieved by good attacking chess. *Korchnoi*, both in this match and his quarter-final against Petrosian, gave the impression of grinding his way through by will-power rather than the flowing surges of 1977.

Hubner's 6½-4½ win over *Lajos Portisch of Hungary was* also unconvincing. He had *inferior positions in the drawn* fourth and fifth games, and *after eight successive draws* Portisch again stood better in game nine before spoiling it completely when short of time.

Portisch has been a leading grandmaster for two decades but freezes psychologically at critical moments in world title eliminators He has lost three times to tail-enders in interzonals, failed in a 1968 candidates match to Larsen after having a won position, and took a break in his 1977 match with Spassky because of "home-sickness."

Korchnoi will not find it easy to qualify for a third try at Karpov; but his decisive win *over Polugaevsky was in* his best style and redeemed his uneven *play earlier in the match.*

White: Polugaevsky. Black: *Korchnoi. English Opening* (14th match game, Buenos Aires 1980).

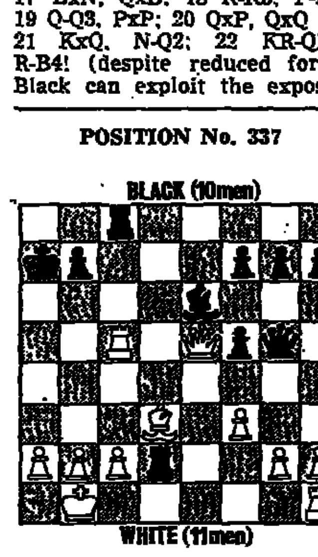
1 N-KB3, N-KB3; 2 P-B4, P-B4; 3 *N-B3*, P-Q4; 4 PxP, NxP; 5 P-K4, N-N5; 6 B-B4, N-Q6 ch (*previously thought inferior to* B-K3, but chess fashions change); 7 *K-K2, N-B5 ch*; 8 K-B1, N-K3; 9 P-QN4, PxP; 10 N-Q5, *P-KN3*; 11 B-N2, B-N2; 12 BxB, NxB; 13 NxNP, 0-0; 14 *P-Q4, B-N5; 15* K-K2.

Matches often hinge on one or two narrow variations chosen as a trial of strength. The *game* until here is identical with the *fifth of the Hubner-Portisch* series, where White's 15 Q-Q2, BxN; 16 PxB, N-B3; *17 NxN*, NPxN put the black rooks in *control* of the QN file.

15 . . . Q-Q3; 16 Q-Q2, N-K3; *17 BxN, QxB; 18 K-K3, P-B4*; 19 Q-Q3, PxP; 20 QxP, QxQ ch; 21 KxQ, N-Q2; 22 KR-QB1, R-B4! (despite reduced forces Black can exploit the exposed king); 23 R-B7, N-B3 ch; 24 K-Q3, P-QR4; 25 *N-B2, N-Q4*; 26 RxNP, N-B5 ch; 27 K-K4, NxP; 28 N-K5, R-B5 *ch*; 29 K-Q5? B-B4! (with a decisive triple threat *of BxN, B-K5 ch and R-Q1 ch*); 30 R-B7, R-Q1 ch; 31 K-B5, BxN; 32 N-B6, R-K1; 33 NxP ch, K-B1; 34 N-B6, R-B4 ch; 35 N-K5, *N-B5; 36 RxP, K-N1*; 37 R-Q7, *N-Q6 ch*; 38 K-N6, NxN; 39 PxN, R(1)xP; 40 R-QB1, R-B3 ch; 41 K-R7, RxP; 42 Resigns. Black has a simple win on material.

POSITION No. 337

BLACK (10men)

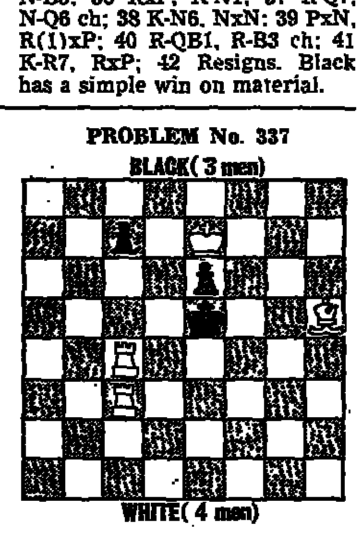


WHITE (11men)

V. W. Knox v. P. H. Clarke, Grieveson Grant British Championship 1980. White (to move) is already a pawn up with a *strong* attack; what *is* his quickest way to win?

PROBLEM No. 337

BLACK (3 men)



WHITE (4 men)

White mates in three moves at latest, against any defence (by A. Geister). This simple setting has in its time puzzled some good solvers for several hours, so prepare for a hard battle. As usual, the black pawns are moving down the board.

Solutions Page 13

BRIDGE

E. P. C. COTTER

The first example hand today *comes* from a Championship Pairs event:

	N	
	♠ 8 7 5 2	
	♡ 9 7 5 4	
	◇ Q 9	
	♣ 8 6 4	
W		E
♠ K 10 4		♠ J 9 3
♡ 3		♡ K J 8
◇ K J 10 6		◇ 8 7 3 2
♣ A K Q 9 2		♣ J 5 3
	S	
	♠ A Q 6	
	♡ A Q 10 6 2	
	◇ A 5 4	
	♣ 10 7	

With both sides vulnerable North dealt, and *after* two passes South opened the bidding with one no trump. This was doubled by West, North and East passed, and South rescued himself into two hearts, which became the final contract.

West started off with three club honours, and the declarer had to plan his campaign. At some tables, where the same contract was reached, though by different sequences, the South player ruffed the third club, played Ace and another heart, and went two down.

At one table, however, the declarer kept control of the *hand, at the same time* end-playing West, by discarding the *spade six on the third club.* A switch to spades or diamonds would have made life easy for South, but West found the best continuation by returning his trump, and East's King was taken by the Ace.

The declarer *now had to de*cide how to play the rest of the trump suit, and he solved the problem brilliantly. At trick five he led a low diamond, West won with the King, and got off play with another diamond. Declarer overtook dummy's Queen with his Ace, ruffed his last diamond, and led a *heart from* the table. When East followed with the eight, South finessed *his* ten, and the contract was made. This was truly the finesse obligatoire, for if the ten had lost to the Knave in West's hand, West would have been endplayed, faced with the unpleasant choice of leading a spade into South's tenace, or of giving a ruff discard.

If West plays the club two at the third trick, South can no longer discard with any advantage, as East has the lead, and this makes the going tougher for him.

In the second hand from rubber bridge the declarer *failed to spot the soft answer:*

	N	
	♠ 7 6 5 3 2	
	♡ J 10 5	
	◇ 8 8 3	
	♣ 7 5	
W		E
♠ J 10 9		♠ K Q 8 4
♡ 7 3 2		♡ 8
◇ 10 9 2		◇ Q J 5 4
♣ A Q 8 6		♣ 10 9 3 2
	S	
	♠ A	
	♡ A K Q 9 6 4	
	◇ A K 7	
	♣ K J 4	

South dealt at game all and bid two clubs, North said two diamonds, and South rebid three hearts—this jump in an *already forcing situation* sets the suit and asks partner to show an Ace if he has one. North denied an Ace by saying three no trumps, South tried four diamonds, but North stolidly replied with four hearts, and all passed.

West's spade Knave was taken *in hand*, dummy was entered via the ten of hearts, and a club was led for a finesse of the Knave. West won with the Queen and returned a trump. Winning with the Knave on the table, South led another club, his King *lost to West's Ace*, and another trump return forced him to lose *four* tricks in the minor suits and go one down.

A careful South should put aside all thoughts of making one of his club honours, and lead a club, any club, at trick two. The declarer will lose two clubs, and each time a trump will be returned, but there will still be a trump left on the table to cater *for South's last club*, and *ten* tricks are assured.

The quiet play of a club from hand may not be glamorous, but it is very simple—so simple that it sometimes escapes notice —and very effective.

ARTS

Das Rheingold

BY ANDREW CLEMENTS

The first half of the Royal Opera House's current *Ring* is now six years old: from those early performances of Götz Friedrich's production Donald McIntyre and Berit Lindholm remain in the principal roles for the first of the two cycles to be presented over the next month. At the same age the arteries of many an operatic production have begun to harden; to judge from Thursday evening's *Das Rheingold* sclerosis is still a long way off, though some unevenness in the singing and the orchestral playing in the first scene took a while to overcome.

The strength of Friedrich's conception lies in its illustration of allegory, in the snapshot characterisations and the realisations of stereotypes. This works perhaps most imaginatively in *Rheingold*. Here the lesser gods may be treated as cardboard cut-outs; capitalist exploitation may be suggested by the most straightforward of industrial metaphors. As a theatrical event the production works because it is so visually imaginative; only afterwards do any loose ends and inconsistencies in the ideology raise themselves.

Into this approach Robert Tear's Loge (new to Covent Garden, though an established part of Solti's Paris *Ring*) fits well, and stands in clear relief. It came close to stealing the evening. Donald McIntyre's Wotan began sullen and truculent, in voice and manner only approaching command in the final scene. Rolf Kühne's Alberich (another debut) seemed happier when romping in the Rhine and bullying the Nibelungs than when required to deliver an undistinguished, underpowered curse. The space-suited Giants (the spirit of Kubrick's *2001* sometimes seems to hover over this production, particularly in the back-projections) were too pliant, too reasonable; the murder of Fasolt comes almost as an afterthought.

Much of the rest of the cast grow in confidence as Colin Davis's interpretation gained in strength. The opening scene seemed pawky and insecure; the Gods' first colloquy hardly caught fire, Yvonne Minton's Fricka here genteel and uninvolved. Only in the transition between the second and third scenes did the orchestral playing take fire; the scene in *Nibelheim* was then marvellously taut and sustained.

Uta-Maria Flake as Freia and Matti Salminen as Fafner

The Mummy's Tomb

BY MICHAEL COVENEY

Werewolves, vampires and sacrificial virgins are the stocks in trade of Ken Hill, whose latest epic at the Theatre Royal, Stratford East, follows the fortunes of a group of B-Movie survivors as they journey down the Nile in search of a lost tomb. After a perfunctorily enacted prologue in Ancient Egypt, Mr. Hill chooses to settle down in the 1920s, for no apparent reason other than that Adrienne Posta is in the cast. Miss Posta's flirtatious flapper has become increasingly robust over the years. Here, she bounces together the attentions of two contrasted suitors and barely checks the stride of her performance before wiggling her bottom at a howling Nubian while manacled in the vaults of a palace mined with trap doors and over-run by rampant mummies.

This farcical climax is, unfortunately, a merely mechanical routine, for Mr. Hill is as careless with his structural writing as he is with his period syntax. The evening is an extremely long one and the play has run out of steam once the actual journey of the explorers is completed.

Up to that point Mr. Hill's staging has kept the pot boiling as we progress from the Professor's study to Tilbury Docks, Cairo and the desert wilderness.

The suitors are a chinless piano player (Francis Thomson) and a pucka aristocrat (Tony Scannell). The party is seen off at the docks by a delightfully satiric Victorian farewell song delivered by the housekeeper in a rich operatic mezzo. The singer is Anna Sharkey, by far the most accomplished artist on view, who gradually takes over the show as the ageless Ashayet bent on revenge. Her conspiracy with a mysterious Arab naturally backfires and she is eventually consumed by the River of Life in a cloud of smoke.

The music by Mr. Hill and Alan Klein is of the typical take-it-or-leave-it Stratford East variety, less interested in maintaining a persistent style than in decorating humdrum melodic lines with rock inflexions. Sarah-Jane McCelland's design happily incorporates the British Museum and a Wapping warehouse into its gaudily pyramidic skeleton, and there is one marvellous scene where three lonely men in the desert watch Miss Posta undress in a tent illuminated by back projection before one of them leaps in to strangle an impertinent cobra. But such moments are few and far between.

Adrienne Posta

BBC Radio Norfolk news editor Ian Hyams broadcasting 'live'

Radio Norfolk is born

BY ANTHONY CURTIS

The East Anglian regional news was read on radio for the last time yesterday. A day earlier BBC Radio Norfolk was launched. Regionalism is out and local radio is in. Such is the BBC's philosophy of expansion for the 1980s. Some of the regional services have been folded slightly ahead of schedule in order to pave the way and provide the finance the new wave of 15 local radio stations which the BBC is currently setting up to add to its 20 local stations already in operation.

The latest of them, Radio Norfolk (slogan—"Your new neighbour") cost £½m to establish with, it is estimated, £260,000 running costs. It has several unique features. It is the first local radio station to serve an entire county. The nearest local radio station, IBA's Radio Orwell in Suffolk, covers a much less extensive area. The "eavesdrop" audience for Radio Norfolk (listeners who can receive the station outside its designated area) will extend to Cambridgeshire. The BBC has plans for a station in Cambridge in 1982 and has its eye on the old printing works in Hills Road as a site. West Norfolk can eavesdrop on IBA programmes from Peterborough.

Asked why the BBC is expanding in this area at a time when it is severely cutting back its own main networks, apologists for local radio within the Corporation, and they are many, from the chairman of the governors downwards, explain that local radio is not extravagantly expensive to run, even without advertising revenue. Union job demarcation rules do not apply with the rigidity they are imposed on staff in network. Radio Norfolk, for instance, will operate on a staff of 20 plus two secretaries. Most of those 20 will be required to do everything from editing the tape, to manning the control panel, to presenting the programme on the air. At present Michael Chaney, 48, a former member of the *Today* team, who is the new station's manager, regards expertise and versatility in the handling of sophisticated equipment as more important than a Norfolk accent, though he does have some native Norfolk speakers in his team.

The station's equipment is designed with the needs of the one-man band presenter in mind and includes a micro-processor costing £10,000 which apart from its obvious value in the assembly of news from all over the county will have other functions such as storing the catalogue of the record library and sorting out the various strands in a four-way phone-in.

Chaney is determined to make the station truly reflect the county it serves. He talks engagingly about the "reactive nature" of the programming. In practice this means there will be few fixed slots for regular items, instead time on the air will be awarded at the discretion of the producer or presenter to any topic that may crop up and engage the interest of the audience, and if nothing at all crops up, then there are always records to be played. It will be interesting to see how this alert ear-to-the-ground kind of radio will work out in a largely rural area with a big floating tourist population. The possession of a handsome new radio car and studios in all the major towns of Norfolk and Suffolk will enable Chaney to cast his net widely.

What he cannot do at present is broadcast his programme throughout the entire day and thus form the habit in his listeners of tuning in to Radio Norfolk and be sure of receiving programmes with a local orientation. He is restricted to six hours a day from Monday to Friday and 10 at the weekend. For the rest of the time the station will transmit network programmes, mainly those of Radio 2. His tactics will be to capture the breakfast audience during the week, a time when a local station has clear advantages, and to give top-class, extensive, locally-angled sports coverage at the weekend. The latter will enable him to combat the notion, which he resents, that local radio has an appeal only for middle-aged women. He wants to attract a young male (and female) audience and he would not be averse to going into pop to achieve this aim.

Certainly he has a vast reserve of local enthusiasm and good-will to draw upon, as was clear from the launching ceremony on Thursday night when half of Norwich seemed to flock into the studio to wish him well, and where radio links were established with HMS Norfolk and Norfolk, Virginia. American Norfolkians have had their own station since the 1960s. There was a lively exchange between the presenters of the two stations. It only broke down when the English presenter asked "Do you ever get any visitors from Norfolk?" His American colleague seemed very puzzled, not quite realising that he meant Norfolk, England.

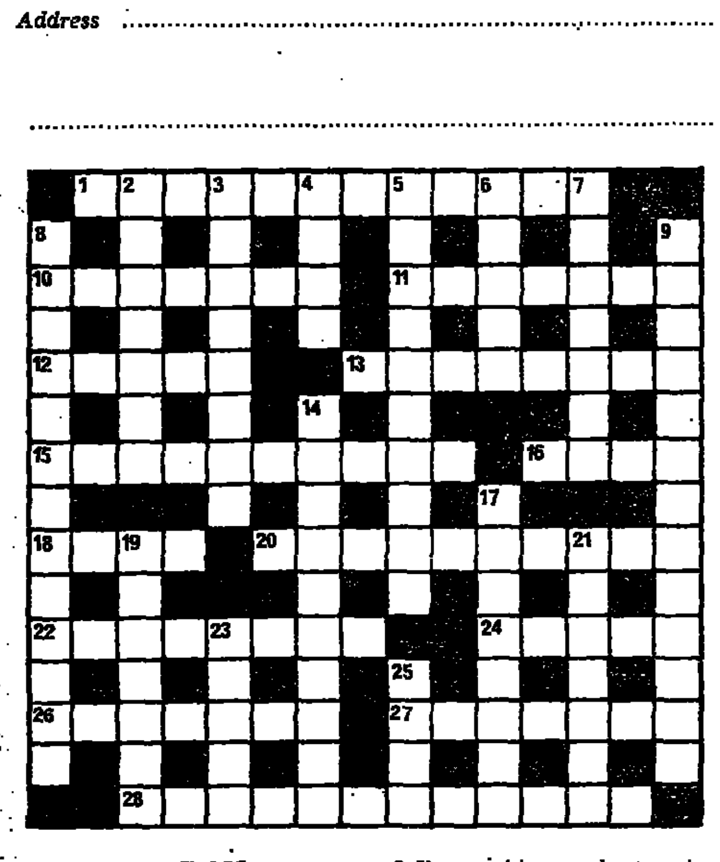
F.T. CROSSWORD PUZZLE No. 4,373

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



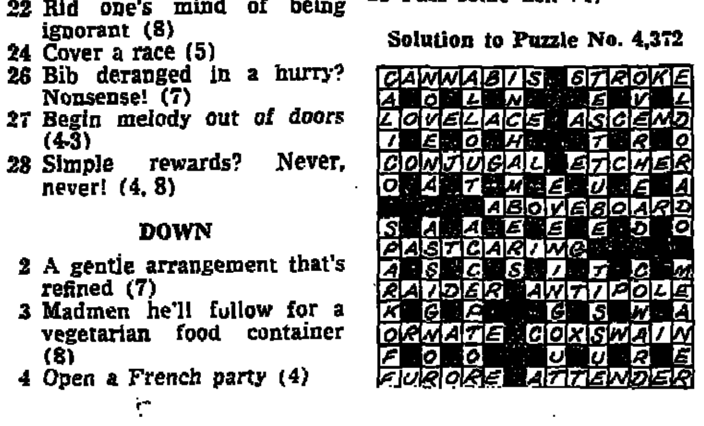
ACROSS

1 Poor industrial concern has to be in earnest (4, 8)
10 Warned of danger from re-designed treadle (7)
11 Dirty person to cleanse and swill (7)
12 Arrive at a stretch of river (5)
13 Produces family cap (8)
15 Free of all charges, the French get over-hasty and create an eruption (10)
16 Not bound to set at liberty (4)
18 Frame made of wood from the south (4)
20 Mixed drink for scout-leader dexterous with fish-hook (10)
22 Rid one's mind of being ignorant (8)
24 Cover a race (5)
26 Bib deranged in a hurry? Nonsense! (7)
27 Begin melody out of doors (4-3)
28 Simple rewards? Never, never! (4, 8)

DOWN

2 A gentle arrangement that's refined (7)
3 Madmen he'll follow for a vegetarian food container (8)
4 Open a French party (4)
5 I'm pushing and stamping (10)
6 Keen to be a bore (5)
7 Kiss a £1 note (7)
8 Blonde with old fogy—that's honest (4-3-6)
9 Alteration of opinion that needs major surgery (6, 2, 5)
14 Greek magistrate's office in vault on vessel (10)
17 Look on article seen in microscope (3-5)
19 Capable of being explained and liquefied (7)
21 First man with a hook, the wrong one, is unyielding (7)
23 Improperly put French friend on ship (5)
25 Pass some fish (4)

Solution to Puzzle No. 4,372



TV/Radio

BBC 1

† Indicates programme in black and white

9.15 am Battle of the Planets. 9.35 The Flashing Blade. 10.00 Athlete. 10.25 The New Adventures of Batman. 10.52 Weather. 10.55 Golf: Hennessy Cognac Cup: Great Britain and Ireland v Europe.
12.30 pm Grandstand: 12.35 Football Focus; Golf (1.05, 3.35, 3.55) The Hennessy Cognac Cup; Trampolining (1.30, 2.10) The Hermesetas World Cup; Racing from Goodwood (1.50, 2.25, 3.00); Athletics (2.45, 3.20, 4.25) from Meadowbank: Great Britain v Sweden; 3.50 Half-time Football Scores: 4.40 Final Score.
5.15 Romie-O and Julie-8.
5.40 News.
5.50 Sport/Regional News.
5.55 Dr. Who.
6.20 Larry Grayson's Generation Game.
7.15 Juliet Bravo.
8.05 The Paul Daniels Magic Show.
8.45 News and Sport.
9.00 Last Night of the Proms (simultaneous broadcast with Radio 3).
10.10 The Saturday Film: "Paper Moon," starring Ryan O'Neal.
†11.50 Midnight Movie: "Castle On The Hudson," starring John Garfield.

All Regions as BBC 1 except as follows:—

BBC Cymru/Wales—5.50-5.55 pm Sports News Wales. 11.50 News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 5.50-5.55 Scoreboard. 11.50 News and Weather for Scotland.

Northern Ireland—5.05-5.15 pm Scoreboard. 5.50-5.55 Northern Ireland News; Sport. 11.50 News and Weather for Northern Ireland.

England—5.50-5.55 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-12.40 pm and 1.05-1.55 Open University.
†3.00 Saturday Cinema (1): "Contraband," starring Conrad Veidt and Valerie Hobson.
4.30 The Flying Machines of Ken Wallis.
5.15 Saturday Cinema (2): "The Tales Of Hoffman," starring Moira Shearer and Robert Helpmann.
7.00 News and Sport.
7.15 Rugby Special.
8.05 We, the Accused.
9.00 Playhouse Presents.
10.50 News on 2.
10.55 Golf highlights.

LONDON

8.35 am Sesame Street. 9.35 BJ and the Bear. 10.30 Tiswas. 12.30 pm World of Sport: 12.35 On the Ball: 1.00 International Sports Special (part 1): Cycling; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.05 from Doncaster; 1.45, 2.15 and 2.45 from Chepstow; 3.15 International Sports Special (part 2): Tennis—U.S. Open Championships: Bjorn Borg v John McEnroe; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Metal Mickey.
5.45 Buck Rogers in the 25th century.
6.45 Up for the Cup.
7.30 "Paper Tiger," starring David Niven, Toshiro Mifune and Hardy Kruger.
9.15 Hammer House of Horror.
10.15 News.
10.30 The Big Match presented by Brian Moore with Jim Rosenthal.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Personal Choice with Robert Rietty.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am The Beachcombers. 9.50 Rocker Robin Hood. 10.10 Fangface. 10.30 pm Match of the Week. 11.30 Paris. 12.25 am The Late Debate: "Why Does God permit so much suffering in the world?"

ATV

9.10 am Play Squash Jonah's Way. 9.35 Home Produced. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer. 11.45 The Late Movie: "No Blade Of Grass," starring Nigel Davenport.

BORDER

9.10 am Play Squash Jonah's Way. 9.30 Home Produced. 10.00 Call It Macaroni. 10.30 pm Shoot. 11.40 Paris.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 11.45 Portrait of the Artist. 12.00 Next Step Beyond.

GRAMPIAN

9.30 am Lost Islands. 10.00 The Adventures of Black Beauty. 10.30 pm Scotsport. 11.30 Paris. 12.25 am Reflections.

GRANADA

9.30 am A Big Country. 10.00 Cartoon. 10.05 Batman. 10.30 pm Match Night. 11.45 The Hollywood Thriller: Jessica Walter in "Dr. Strange."

HTV

9.10 am Home Produced. 9.35 Beachcombers. 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News. 11.45 Paris.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.15-5.45 pm Sion A Sian.

SCOTTISH

9.10 am Cuir Car. 9.35 Charlie's Angels. 10.30 pm Scotsport presented by Arthur Montford. 11.30 Late Call. 11.35 Quincy.

SOUTHERN

9.00 am Sesame Street. 10.00 Beachcombers. 10.27 Regional Weather Forecast. 11.45 pm Southern News. 11.50 Pro-Celebrity Snooker.

TYNE TEES

9.00 am Solo One. 9.30 Saturday Morning Movie: "Cup Glory." 11.00 Sealab 2020. 11.25 240 Robert. 5.15 pm North-East News. 10.30 Shoot! 11.40 The Streets of San Francisco. 12.40 am Three's Company.

ULSTER

9.35 am A Big Country. 10.00 Bailey's Bird. 10.25 The Bubblies. 10.30 Tarzan. 11.20 Cartoon Time. 11.30 Sesame Street. 5.00 pm Sports Results. 5.13 Ulster News. 10.29 Ulster Weather. 11.45 The Odd Couple. 12.10 am Bedtime.

WESTWARD

†9.30 am Laurel and Hardy in "Double Whoopee." 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Scoreline. 11.45 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith For Life. 12.30 West Country Weather, Shipping Forecast.

YORKSHIRE

9.00 am One Step Ahead. 9.25 The Fantastic Four. 9.40 BJ and the Bear. 10.30 pm The Big Game (Derek Dougan presents highlights of a top local game, plus action from two other matches). 11.45 The Palace Presents, with Jack Jones and guest Chita Rivera.

RADIO 1

(S) Stereophonic Broadcast
‡Medium Wave Only

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S) 7.30 Close.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds on Record (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Roy Castle in "Castle's on the Air." 1.30 Sport On 2: Racing Special from Doncaster (1.30, 1.55, 2.25, 3.00, 4.50, 5.45) League Football (1.30, 2.10, 2.45, 3.10, 3.45, 3.55, 4.42, 5.00, 5.50). Athletics (1.30, 2.20, 2.40, 3.20, 4.55, 5.30) from Meadowbank. 5.00 Sports Report. 5.00 Classified Soccer Results. 5.45 Racing Results. 5.50 Latecomers' Soccer Check. 6.03 European Pop Jury. 7.02 Three in a Row. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 10.02 The King's Collection with The King's Singers (S). 10.30 Band Parade. 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Piano Music and Wind Trios (S). 2.00 John Shirley-Quirk: Song Recital, part 1 (S). 2.45 Interval Reading. 2.50 Recital, part 2 (S). 3.25 Mozart 1786-1788 (S). 5.00 My One and Only: A Jazz Record Requests Special (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.30 Last Night of the Proms, part 1 (S). 8.35 Lawrence Travelling. 9.00 Last Night of the Proms, part 2 (S) (simultaneous broadcast with BBC1). 10.10 Doctor Fischer of Geneva by Graham Greene. 10.40 Schubert (S). 11.00 News. 11.05-11.15 Roy Fuller, poetry reading.

VHF ONLY—Open University: 6.00-8.00 am.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway. 9.00 News. 9.50 News Stand. 10.05 Conference Special. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Marriage Matters (4). 12.27 The Burkiss Way (S). 12.55 Weather, programme news. 1.00 News. 1.10 A Passage to India: 1779. 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 "The Golden Bowl," by Henry James. 3.25 Join Radio 3. 5.00 Getting Together. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Antal Dorati. 6.55 A Word in Edgeways. 7.35 Johnny Morris (S). 8.30 Saturday Night Theatre. 9.58 Weather. 10.00 News. 10.15 Battle of Britain (S). 11.00 Lighten our Darkness. 11.15 All Things Considered. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; Weather; Traffic; Sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 David Carter's Summer Show. 6.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Dickie Arbiter. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Network: "Crusader '80"—a survey of the effectiveness of NATO to defend Europe. 9.00 The London Interview—Richard Robins talks to World War II hero, Group Captain Sir Douglas Bader. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision-Makers. 5.00 Morning Music.

Capital Radio

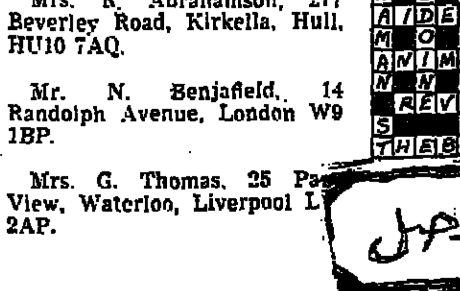
6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edwards's Soul Spectrum (S). 8.00 "Roots Rockers" with David Rodigan (S). 9.00 Peter Young (S). 12.00 After Midnight (S). 4.00 The Collection (Classical Music) (S).

Solution and winners of Puzzle No. 4,367

Mrs. R. Abrahamson, 277 Beverley Road, Kirkella, Hull, HU10 7AQ.

Mr. N. Benjafield, 14 Randolph Avenue, London W9 1BP.

Mrs. G. Thomas, 25 Pa[...] View, Waterloo, Liverpool L[...] 2AP.



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TV RATINGS
w/e Sept. 7

UK TOP TWENTY (viewers m)

1	The Morecambe And Wise Show (Thms.)	16.45
2	Coronation St. (Wed.) (Gran.)	15.60
3	Cowboys (Thms.)	15.30
4	Just Liz (Thms.)	14.70
5	The Professionals (LWT)	14.10
6	Keep It In The Family (Thms.)	13.95
7	Larry Grayson's Generation Game (BBC)	13.75
8	Coronation St. (Mon.) (Gran.)	13.55
9	Blankety Blank (BBC)	13.30
10	On Her Majesty's Secret Service (ITV)	12.85
11	Crossroads (Wed.) (ATV)	12.60
12	Hart Of The Yard (ITV)	12.25
13	Crossroads (Tues.) (ATV)	11.70
14	Give Us A Clue (Thms.)	11.30
14	Yes Minister (BBC)	11.30
14	That Lucky Touch (ITV)	11.30
17	Terry And June (BBC)	11.00
18	Arthur C. Clark's Mysterious World (Yorks.)	10.75
19	Play Your Cards Right (LWT)	10.55
20	Crossroads (Thurs.) (ATV)	10.40
20	Abba In Concert (BBC)	10.40

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Miss America (special) (NBC)	24.9
2	Three's Company (comedy) (ABC)	23.0
3	Taxi (comedy) (ABC)	22.0
4	Dallas (drama) (CBS)	20.8
5	Vegas (drama) (ABC)	20.7
6	M.A.S.H. (comedy) (CBS)	20.6
7	Dukes of Hazzard (CBS)	20.3
8	Sunday Night movie (drama) (ABC)	19.9
9	Charlie's Angels (drama) (ABC)	19.7
10	Thursday night movie (drama) (NBC)	19.6

CHESS SOLUTIONS

Solution of Position No. 337

1 R—R5 ch, K—N3; 2 Q—Q4 ch! KxR (or K—B2; 3 R—B5 ch, K—N1; 4 Q-Q6 ch and mate in two); 3 Q—R7 ch, K—N5; 4 P—R3 mate.

Solution of Problem No. 337

1 R—KN4. If 1 . . . K—Q4; 2 RxP, P—K4; 3 B—B7. If 1 . . . K—B4; 2 R—QB6, P—K4; 3 R—KB6. Not 1 B—B7? P—B4.

COLLECTING

The Brownings' apartment at Casa Guidi in Florence, painted by Charles Mignaty around 1861 after Elizabeth Barrett Browning's death, which shows the two desks which are in Bonham's sale on Thursday at their Montpelier Galleries, Knightsbridge.

The Browning versions

BY JUNE FIELD

An pewter-age — mixed metal, silver-washed;
An age of scum, spooned off the richer past,
An age of patches for old gaberdines,
An age of mere transition, meaning nought; . . .
Elizabeth Barrett Browning:
Aurora Leigh

LAST MONTH we had Virginia Woolf's desk for sale at Sotheby's. Now the desks of Elizabeth Barrett Browning (1806-61), and her husband Robert Browning (1812-89), come up for sale at Bonham's on Thursday at their Montpelier Galleries, Knightsbridge.

Both desks were originally in the sitting-room of Casa Guidi, a 15th century *palazzo* in Florence. There the Brownings rented rooms in 1846 after their marriage "without benefit of father," — Edward Moulton Barrett the domineering character whose fortune was derived from slave plantations in the West Indies, and whose foibles were documented in Ralph Besier's play *The Barretts of Wimpole Street*.

At the desk, which a contemporary description referred to as "a small table strewn with writing materials, books and newspapers," she is said to have written *Casa Guidi Windows* (1851), inspired by what she saw outside of the hardships of the Italian people. It was credited as the poem in which she "attained her ripest growth and greatest intellectual strength."

This was followed by her major work *Aurora Leigh*, a 10,000-line novel in blank verse, into which she declared her "highest convictions upon life and art have entered." Much admired by George Eliot, it nevertheless attracted a wide diversity of opinion.

Miss Mitford of *Our Village* fame, described Elizabeth as a "slight delicate figure, with a shower of dark curls falling on each side of a most expressive face, large tender eyes, richly fringed by dark eye-lashes, and a smile like a sunbeam."

The son of a clerk in the Bank of England, Robert Browning began the voluminous two-year correspondence with his future bride around 1844 after the publication of her sentimental poem *Lady Geraldine's Courtship*, in which she wrote:

Or at times a modern volume—Wordsworth solemn-thoughted idyll,
Howitt's ballad verse, or Tennyson's exhausted reverie—
Or from Browning, some "Pomegranate," which, if cut deep down the middle,
Shows a heart within blood-tinctured, of a veined humanity.

The Browning pun alludes to his plays and dramatic lyrics which he published in a series of pamphlets after *Exodus XXVIII — Bells and Pomegranates*.

As a contemporary biographer wrote: "Mr. Browning bore his wife to Italy, and for some years the sunny skies of the south were instrumental in giving to Mrs. Barrett Browning that health which had so long forsaken her in her native land."

In 1861 Elizabeth died in her husband's arms. He left Florence never to return. But before doing so he tried to have the sitting room in Casa Guidi photographed. When this proved impossible he commissioned a painting from a friend, Charles Mignaty, and it is this work which shows clearly the position of the two desks in the room.

The desks plus a silver kettle are being sold at Bonham's by Mrs. Angela Whitcombe, daughter of the Victorian romantic novelist Mrs. Florence Barclay who wrote *The Rosary*. She bought these and several other items including two portraits now in the National Portrait Gallery, and Robert Browning's watch. This was donated to the British Museum in 1913 when the effects of the poets' son, Robert Wiedman Browning, known as Pen or Penini, were sold at auction, and the proceeds divided between 16 Browning cousins.

Ever since Wiedman Browning died in 1912, it was hoped to restore the rooms in Casa Guidi to their former condition. It was though that Pen intended to preserve them as a memorial to his parents, as did the subsequent owner of the *palazzo*—but their attempts never crystalised into anything concrete.

In the 1960s the whole building came up for sale, whereon the Browning Institute in New York launched a public appeal to raise funds to buy the Browning apartment. In 1972 enough money was raised and the rooms have been restored, with continuing attempts being made to furnish them with the Brownings' effects.

There is a thriving Browning Society of London, subscription £5 per annum, which includes the society's notes edited by Mr. John Woolford, Fitzwilliam College, Cambridge. For details s.a.e. to the president, Mrs. Elaine Baly, 14 Oakhurst Avenue, East Barnet, Herts.

She is the great-granddaughter of Browning's Uncle Reuben, and as Vivienne Browning recently wrote the evocative *My Browning Family Album*, which can be ordered direct from Springwood Books, 49/51 Bedford Row, London, WC1, for £6.45 including postage.

The latest publication, Rosalie Mander's delightful *Mrs. Browning—The Story of Elizabeth Barrett* (Weidenfeld and Nicolson £7.95), traces the background to Elizabeth's elopement at the age of 39 to marry Robert on September 12, 1846 in St. Marylebone Parish Church.

The spice of this sporting life

TRAVEL

PAUL MARTIN

THE SPORTING SCENE ?— ? IT HAS often been said, with some justification, that we have become a nation of sport watchers rather than participators but this certainly does not apply to the fishermen of Britain. They know the seasonal dates by heart. While salmon and trout fishing are becoming increasingly expensive, the patient brigade, installed on a river bank or at the edge of a lake, enjoy a relatively inexpensive form of *complete relaxation*.

Beagling, the pursuit of the hare by a pack of hounds and on your own two feet, can be as strenuous or easy-going as you make it. I have often puffed and panted my way over the superb South Downs country on a crisp winter's day only to find that the old hand's perched on their shooting sticks, have seen more of the chase. Knowing every inch of the landscape, they can work out in advance the line the hare will take.

Beagling, the easiest form of hunting to arrange, is also the least expensive. There are regular meets often at country pubs within a short distance of our major cities. Some hunts may restrict non-members to three meets per season but you can join them for the day.

The British Field Sports Society's annual reference book is an absolute mine of information. It covers the open and close seasons for all field sports and includes a list of gunsmiths, riding stables and hotels which specialise in fox and stag hunting, deer stalking, and all forms of shooting. Membership of the BFSS, including an annual copy of the reference book, is £5 per year.

Several hotels throughout the country have arranged excellent packages and I can give just a few examples covering the different, sporting activities.

The Crown Hotel at Exford in Somerset, ideally located in an area where both fox and stag hunting are traditional, arranges two-day winter hunting breaks at an inclusive rate of £110 for two people assuming that only one is hunting. All rooms have private facilities and, after a five-course dinner and a full English breakfast the following morning, a horse is provided for a day's hunting with either the Devon and Somerset Staghounds or the Exmoor Foxhounds.

You come back for a hunting tea followed by dinner on the second night. The inclusive rate also covers hire of the hunter, cap to the pack and the valeting of your hunting clothes.

Raymond Jones and his family have opened up their 400-year-old farmhouse at Burrington, near Bristol. They also cater for visitors from Europe and the U.S. as a strictly up-market venture which includes being met at the airport of arrival. Hunting in any form has never been a cheap pastime. Their home is in the Mendip Hills and the Mendip Farmers is one of the packs with which their guests can hunt over rugged stone-walled country and areas of hedge and ditch.

They feel that rider and steed should be on nodding terms before going out with one of the many packs in the area, including the Beaufort, the Berkeley and the Quantock Staghounds. A member of the family always accompanies those hunting. Mrs. Jones will arrange a programme of sightseeing and shopping for the non-participants. Their tariffs vary considerably and, designed to accommodate guests' individual wishes, are available on request.

In Scotland Major Neil Ramsay provides facilities for all kinds of field sports with, as just one example, deer stalking. The price works out at £100 per stag with a reasonable expectation of shooting one. Whether you stay in a pub or a castle is up to you.

Quoting one sample price, this again assumes a couple where the husband wants to shoot five stags, with his wife not taking part, and they stay in medium-priced accommodation for a week. Allowing for five or six days' stalking—an alternative day can be added in the event of bad weather—rates, including stalking, licence, insurance and accommodation for two people, will cost around £835 for the week.

The Craig-y-Dderwen Country House Hotel, near Betws-y-Coed in Wales, arranges an extensive programme of winter shooting on the Plas Newydd Estate. It covers over 2,000 acres of varied country including farmland and an excellent covert.

Their programme, running through from October to January next year, includes pheasant, hare, rabbit and duck shooting. The game shot is retained by the estate but each gun is entitled to a brace of each day's bag.

On two walked-up days each week in October — dates and full details are available from the hotel — and anticipating a bag of around 50 birds, the two days sport and three nights hotel accommodation, with all meals including a buffet lunch, costs £150 per gun. On the same basis, going out for three days with beaters in November and the expectation of a bag of 130 per day, is listed at £335.

Wildfowling, with the interests of conservation and protection of the foreshore always primary considerations, is under the supervision of the Wildfowling Association of Great Britain and Ireland (WAGBI). It will offer advice on the facilities on The Wash, in Solway and other parts of Scotland.

These are just a few suggestions but, whether you are thinking about the odd day's beagling or a week's deer stalking, there are some well-planned specialist arrangements. Further detailed information is available from the addresses listed blow.

ADDRESSES:

British Field Sports Society, 59, Kennington Road, London, SE1 7PZ.

Burrington Farm, Burrington, near Bristol BS18 7AD.

Craig-y-Dderwen Country House Hotel, Betws-y-Coed, Glynwedd, North Wales LL24 0AS.

The Crown Hotel, Exford Somerset.

Major Neil Ramsay and Co., Farleyer, Aberfeldy, Perthshire, Scotland PH15 2JE.

WAGBI, Marford Mill, Chester Road, Rossett, Wrexham, Clwyd.

Not a great success

GOLF

BEN WRIGHT

THE THIRD European Open Championship won by Texan Tom Kite over the composite course at Walton Health last Sunday was so well organised it deserved to have been a far greater success than it actually was. After all the weather was perfect apart from Friday's storm, through which American Lon Hinckle strode like a colossus to his record score of 65. But as an expensively imported guest it seemed very strange that he was forced to play in the third last group on that second day when the greens had grown considerably and were badly spiked up.

The course was in magnificent order although it is a shame that the linksland nature of the turf, particularly on the greens, is gradually being destroyed by obvious over-use of the automatic watering system. The Walton Heath Club is an ideal venue for such an event, in that it has so much space for a tented village and all the other modern trappings of a major professional tournament, not to speak of adequate car parking facilities. The grandstands, some with hospitality suites situated underneath them—a brilliant idea—gave magnificent views of the last three holes, the 14th green and 15th tee areas, the fifth tee, ninth green and 10th tee.

The field was an interesting one, including several well proven American invaders who are not exactly household names in Britain, to challenge the best that Europe can offer. It was also the first major event I have known actually to be sponsored by a Government, that of Limburg, the beautiful southernmost state of the Netherlands that is bidding fair to become the golfing capital of the Common Market, with 20 or so golf courses scheduled to be built there in the near future. Considering that 50m of the world's richest people live within an hour's drive of Limburg, the Government's hopes to make the State a great European industrial and leisure centre appear to be well founded.

So why was their event so poorly supported? In the opinion of many the third European Open received too little effective advance publicity. But the truth of the matter really lies in the paucity not of talent—there is plenty of that—but of the required application and determination among the European professionals to withstand any American invasion. Once again our best players collapsed on cue like the veritble pack of cards to allow the Americans to take the first three places in a singularly anti-climactic finish. Worse than that, Dale Hayes, the South African who had been a total failure in the United States, finished alone in fourth place. The five leading Europeans, Scotsmen Bernard Gallacher and Sam Torrance, Englishman Mark James, Irishman Des Smyth and Germany's most promising World Under 25 champion Bernhard Langer, who defends his title in Niems in October, having won the event last year by 17 shots, were either playing what is called in the trade "catch up golf"—coming through the field when having no chance to win—and thus not being under pressure or, in the case of Gallacher, flattering to deceive.

The collapse of the defending champion Sandy Lyle was singularly dramatic, but perhaps should be put down charitably to inexperience. After dropping strokes to par at each of the first two holes rather nervously Lyle did not hit a really bad second shot at the 391 yards third. He tried to hold up his five iron shot into the right to left wind blowing towards the out of bounds fence, but the ball took a wicked kick to the right, deep into the heather. Having only nudged the ball with his third shot as the blade of his club passed underneath it, Lyle made solid contact with the next hack, and the ball soared over the fence. After dropping another, Lyle moved it forward only a matter of inches, and then pitched the ball straight into the hole from 35 yards for a seven. Out in 44, the worst nine-hole score Lyle can remember since he was 10 years of age, he thereafter admitted to "rather losing interest."

But this most engaging young Scot, who could do so well in America in 1981, salvaged some self-respect by coming home in 35 shots, two under par for a 79 to tie for 15th place in the group of 21 who scored par or better, nine of whom were non-Europeans. Of them 15 scored better than the final 75 of Kite, who dropped a stroke to par with a bad drive at the third, and a second when taking three putts at the 18th hole, his first three-putt green of the week. He had no birdies.

Kite was badly shaken by a musical car horn when on the back swing of his first putt, and one can only hope that the police will keep a firm grip on local traffic during the 1981 Ryder Cup match to avoid the possibility of an international incident. Hinkle was so upset by the three putts he took on each of the 16th and 18th greens to lose the championship and even the chance of a play-off he has resolved to ask Ben Hogan, whose equipment he uses, for advice, particularly about his short game. Hinkle has already become a very good player. If Hogan cares to help him he could become a great one. He is already twice the player he was when he battled round Europe with a Sunday bag in 1975 before winning his player's card to get on to the American tour.

Leonard Thompson from North Carolina, whose excellent last round of 71 in a difficult wind enabled him to share second place with Hinkle, has such a steep, slow and deliberate swing and hits the ball so high that he is regarded as a bad wind player by the purists. The old adage about it is not how, but how many that counts, is as true of Thompson was another chestnut—when applied to the 1980 European Open—that most championships are lost rather than won.

Water Mill for the Leger

RACING

DARE WIGAN

AS FAR AS the bookmakers are concerned, this year's St. Leger would appear to be a foregone conclusion, in favour of Water Mill, who, yesterday, was on offer at even money by the leading firms. And they mey well be right, for immediately after the Derby, in which Lord Rotherwick's colt trailed in about 12 lengths behind his stable-companion, Henbit, Maj. Dick Hern was emphatic that he would be a good horse come the autumn. And so it has proved. For, after finishing third to Valiant Heart and What a Joy in the Grand Prix de Paris at Longchamp at the end of June, he won the Alycidon Stakes at the principal Goodwood meeting on August 1, and followed up by disposing of Ballytop on the Sussex course just over three weeks later.

I shall be surprised, if Water Mill fails to cope with Light Cavalry and Saviour, the pick of the other English runners. But the French colt, Lancastrian, could be a different proposition. Lancastrian, a half-brother by Reform, to the good filly, Cistus, is owned by Sir Michael Sobel, a long-standing patron of Hern's stable. He defeated the high-class Corvaro in the Prix du Lys run over 1½ miles at Chantilly in the middle of June, finished fourth in the Grand Prix de Saint-Cloud early in July, and won again at Deauville last month, following which *Raceform Note-Book* commented: "Will be a true danger if sent over for the St. Leger." I agree, and at today's quoted odds of 11 to 2 he represents good each-way value.

Marwell is an exceptionally fast filly over 5 furlongs and I do not anticipate her being beaten in the Flying Childers Stakes (2.00). But the May Hill Stakes (3.45), a listed race for 2-year-old fillies, is not so easy to solve. Silken Knot, by the 1974 2,000 Guineas winner Nonoalco, out of a mare by Shantung, was successful on her first appearance on a racecourse at Ascot on July 25, in spite of running green. And she again showed inexperience on her second outing, when finishing third, behind Fairy Footsteps in the Waterford Candelabra Stakes run over 7 furlongs at Goodwood a month later, in spite of which she finished ahead of Exclusively Raised, who opposes her on the same terms today. She will, I think, be suited by a mile on this flat course.

More Stones, judged on his promising first run when second to Sainera at Yarmouth, looks the probable winner of Division I of the Clover Stakes (1.45) at Chepstow.

DONCASTER
1.30—Steeple Bell
2.00—Marwell
2.30—Tolstoy
3.00—Lancastrian
3.45—Silken Knot*

GOODWOOD
2.00—Springy*

CHEPSTOW
3.35—Princes Gate
1.45—More Stones**

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday September 13 1980

Good news and bad policies

THERE HAVE been four items of unmistakably better news this week, which provide some foundation for the market celebration which has carried equities to a new high and boosted gilts. However, the celebration took place ahead of most of the news, and is explained at bottom by a development which is not good at all: the largely uncontrolled growth of the money supply.

Meanwhile policies continue in a thorough muddle. In the middle of the week the Treasury issued its own half-convincing excuses for the monetary mess. *The good news here* was the revelation that the Treasury still genuinely believes that public sector borrowing is more or less on target, and that recent figures have been deceptively bad: *and that was not all*. The Treasury announced new savings instruments *designed to* raise £1.5bn this year direct from personal savers — thus reducing the need to overburden the gilts market by a corresponding amount.

Imaginative

This sign of a more imaginative approach to monetary control was what really sent the market alight, and suggested that someone in authority has learned something from the mess. By the end of the week, however, we had learned that the Bank of England is still pumping money into the system with one hand, and trying to mop it up again with yet another long-dated stock. The education process clearly has a long way to go.

The news from the real economy has continued to display the heavy cost of a policy which has leaned unduly heavily on high interest rates—and consequently a high exchange rate—to check inflation. A series of mainly dreadful company results, went far to explain the further daily news of plant closures. However, we are at least getting something in return for this grim outlay.

The best news of the week was a wholly unexpected drop in the rate of inflation. A sharp, belated drop in the price of seasonal foods did much to make the figure more dramatic but even when this is left out of account, the rise in other prices was less than half a percentage point. The underlying contribution of the private sector to inflation is now truly modest—some benefit in return for the collapse of profits.

A further reason for this modest figure was that, for *once, there were no rises in* public sector prices to report. These public charges have risen by nearly 27 per cent over the last year, adding about as much to the price level as did the rise in value added tax in the year before. This is no doubt a labour-saving way to cut public sector borrowing, but it is not a helpful contribution to anti-inflation strategy.

The final item of good news for the week is that the Government no longer intends to leave the private sector to do all the real work. As news was received of a peaceful acceptance of an eight per cent wage settlement by Vauxhall workers at Luton, the Chancellor delivered a tough speech on pay in the sheltered public sector. If the Government can actually control public sector costs, instead of simply passing them on in one form or another, then this part of the strategy will make much more sense.

Realism

This evidence of realism, if it is followed through, is far more important in the long run than any technical innovations in borrowing. The greatest trap *which monetarism lays for its* practitioners is that it fosters the illusion that managing one or two apparently key statistics is a substitute for *managing the* real economy—or at any rate, that part of it which the Government controls. Most of the apparent lunacies of monetary policy, and indeed its evident collapse at the moment, can be put down to efforts at statistical management.

Thus we find that sales of gilts appear to control the monetary statistic; and from this uninteresting accountancy item, we develop a policy in which the management of the economy is directed to the production of debt instruments which appeal *to pension funds*. We saddle the taxpayer with servicing an *ever-growing portfolio of long* debt, and industry with a crippling exchange rate, in pursuit of a statistic.

Efficiency

In the real world, of course, our economic fate is not settled by the investment decisions of pension fund managers. It is settled by our efficiency, our thrift and our realism as a nation. It is the Government's success in fostering realism and practising thrift which will measure its own achievements; efficiency must be left to the goad of competition—at a sustainable level — and the rewards which thrift will make available. Any sign that the Government is waking from its technical nightmare of ineffective monetary controls and ambiguous cash limits to these *realities is the best promise of* long-term success.

To be fair, our own Government is not the only one finding *the going hard*. Inflation and deficits are problems everywhere; in the U.S., the Federal Reserve has ben forced to let interest rates rise in a recession to offset fiscal excess. The rising *gold price provides its own grim* commentary on the trustworthiness of anybody's money. We all have much to learn.

David Tonge writes about the problems facing Turkey and the West

Why the Generals cannot afford to fail again

HISTORY has repeated itself. Twice before in the past two decades Turkey has run into an economic crisis and each time the armed forces have then stepped in. But the prospects facing them after Friday's coup are infinitely more daunting than when they intervened in 1960 and in 1971.

In the first of these interventions a group of officers replaced the *increasingly autocratic* Adnan Menderes and ushered in a liberal constitution. The second time round, the commanders, *frustrated at the politicians' inability to tackle political violence and needing to head off* a coup from junior officers, *forced the resignation of the* then government of Mr. Suleyman Demirel.

Now they have again ousted Mr. Demirel and, as in 1960, closed parliament. But there the *resemblances stop for what* is today at issue is nothing less than *the survival of modern* Turkey as a nation.

The outcome is not just important for the Turks but for the West. Turkey is a major potential market, but it is also of considerable strategic importance.

It lies between the Soviet Union and the Middle East. It guards the Russians' only route out from the Black Sea—with the Dardanelles "pinching the giant's nostrils," as Churchill once wrote. And bases on its territory provide the Americans with up to one-quarter of their direct information on Soviet missile launches. These factors explain why NATO has looked on askance at the recent progress on its south-eastern flank.

The recent toll of deaths *from political* violence is one indication how Turkey has been *drifting towards* civil war. Since the latest government of Mr. *Demirel took office* last November 1,500 people have been killed. In the first ten days of this month alone 200 people died.

Past, present and future—General Evren, Turkey's new ruler, lays a wreath nine hours after the takeover at the tomb of Kemal Ataturk, founder of modern Turkey.

Those murdered include a former prime minister, the country's main left-wing union leader, a deputy, and mayors, journalists, teachers, workers and students. The violence is the symptom of a dispute which began between extremists on left and right but has long since spread from the university campus to the high school corridor, from the cities to the provinces.

Further, from being mainly a battle between ideologies it has become one involving the *different sects and races* from which Turkey is formed. At Christmas 1978 110 people were killed in Kahramanmas in southern Turkey when riots broke out between the orthodox Sunni Moslems (who tended to be allied to the militant right) and the Alevis, as the Turkish variety of Shi'ites are known. This same division was present this summer in the town of Corum north of Ankara when the local Alevis had to flee for their lives. And in the port of Fatsa on the Black Sea the revolutionary left organisation, Dev Yol, temporarily set up its own "liberated zone."

Such areas, like districts in most cities and many towns, ended up by becoming "no go areas" for one side or the other. Organisations such as the Grey Wolves, the commando-style body supporting Mr. Alparslan Turkes, leader of the neo-fascist Nationalist Action Party, began to spread their influence through a swathe of towns in Central Anatolia.

All these developments were accompanied by growing anxiety among the commanders about unrest among the 8m Kurds who make up one-sixth of the population and live mainly in the mountainous south-east of the country.

At the same time the very basis of the secular state bequeathed by Kemal Ataturk, the founder of modern Turkey, seemed to be under threat. A resurgence of Islam seemed to be spreading across the border from Iran. Only one week ago members of the pro-Islamic National Salvation Party were parading through the streets of Konya wearing clothes such as the fez which had been banned by Ataturk in 1934, were refusing to stand for the national anthem, and were proclaiming: "What is secularism? We follow Islamic Law." For the armed forces this was a direct challenge to the legacy of Ataturk of which they see themselves the guardians.

The scale of these problems is disturbing, but so is the fact that in the past decade first the army, then Mr. Demirel and next the Opposition leader, Mr. Bulent Ecevit, have taken it in turns to direct governments—and all have failed to stop the rot. Indeed, during the past 21 months when martial law has been in force, the killing has increased, police and prison guards have become riven by politics and the judiciary has been put on the defensive.

With this background there must be a severe question *mark over how* successful the armed forces can now expect to be. They moved into the *wings* in 1961 with their prestige high. *The two years of martial law* from 1971-73 were less *successful, with the torture of* that period tarnishing their *image. Only the invasion of* northern Cyprus in 1974 revived *their local standing*.

Today, even before they took office *Amnesty International has* found that torture has become "widespread and systematic" affecting most people arrested.

The armed forces closure of one of the main union organisations and introduction of censorship and a curfew have set many Turks against them. But so wretched has been the record of the politicians that others are prepared to give them the benefit of the doubt. This year, despite 114 ballots in six months, the parliament has failed to elect a new president for the country.

The optimist can argue that freed of the need to worry about the politicians—and in particular the way that Mr. Turkes's supporters have received some backing from Mr. Demirel—the armed forces will be able better to come to grips with the terrorism. He can hope that a new constitution introducing a more streamlined executive will avoid the unsightly deadlocks of the past. He can suggest that inflation is being curbed and an economic revival might be round the corner.

But against this it can be argued, like it or not, that Mr. Demirel and Mr. Ecevit were the democratic choice of the people, and no constitution can happily exclude them. Also, unemployment remains huge, presenting a large pool of potential recruits for the terrorist. But perhaps more fundamental is the fact that throughout its modern history Turkey has had one central dilemma—how to modernise a *traditional society* when the bulk of the population is wedded to the past.

In recent years this problem *has been compounded by the* strains caused by the changes *through which Turkey is going*. The barter economy has largely been replaced by *that of the* market. There has been a massive emigration *from the village* to the towns — and to abroad. And the country as a whole has been going through the pains of its industrial revolution.

For many years the economy managed to grow at rates averaging 7 per cent each year, but when it was hit by the slow down of the mid-1970s there was little to compensate the population for all these changes.

This situation prevails today, and is just one of the reasons why the army's task is so difficult.

The high stakes for creditors

TURKEY'S finances have been causing almost as much anguish as once did the Ottoman Debt.

Western bankers and governments have already spent three years on the largest debt renegotiation in history and have now advance the country a total of $16bn—but it has not proved enough. The country is still about $3bn in arrears to governments, banks and some 20,000 different companies.

Further, it is coming back for more, and asking for an additional $3bn of debt to be rescheduled.

Yet the initial reactions to the coup have been relatively calm, *not least among some of the* banks most deeply involved.

The *banks which have lent* most ot Turkey include the West German and Swiss banks—Deutsche Bank, Dresdner Bank, the Swiss Bank Corporation and the Union Bank of Switzerland. The Bank of America, Chase and Citibank also have large commitments in Turkey. In Britain *Lloyds is more deeply involved* than Barclays.

How the problems of Turkey's finances are resolved is relevant far beyond the counrty itself. This is not just because a more overt default would be on a scale to cause widespread ripples through the banking system. It is also because the performance of the Turkish economy could influence the patterns of lending by the International Monetary Fund to the Third World.

In June the Board of the IMF broke new ground with a $1.65bn stand-by credit for Turkey, almost doubling the amounts it was prepared to advance countries relative to their quota with the Fund.

The central part of the IMF's prescription for Turkey has *been a tough package involving* monetary restraint, a limit on the public sector borrowing requirement and the maintenance *of the Turkish lira at a* realistic rate. It was the readiness of Mr. Turgut Ozal, who *made economic policy* for Mr. Suleyman Demirel, to implement this prescription—and get even tougher—that encouraged the West to give Turkey more financial backing this year.

Mr. Ozal's measures included opening the country to foreign investment, banks and oil companies as well as the opening *of the domestic economy* and banking sector to market forces.

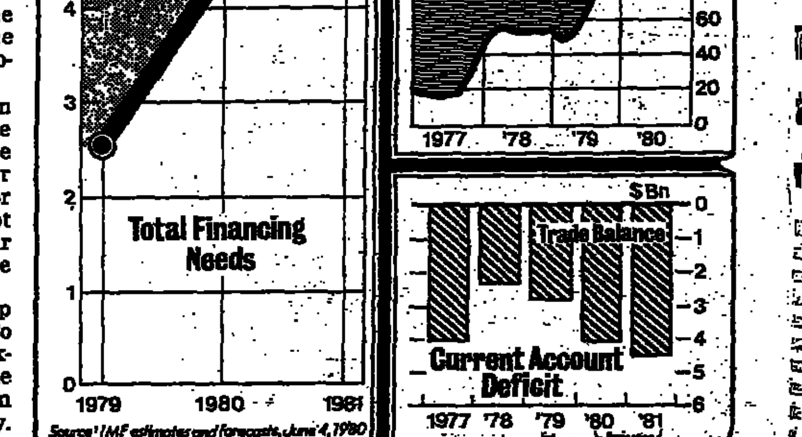
They proved easier to announce than to implement, but none the less some officials were taking heart yesterday from the news that the armed forces had called in Mr. Ozal and Mr. Ismail Hakki Aydinoglu, Governor of the Central Bank of Turkey, for discussions on the economy.

"The chances are that the commanders *will continue the* IMF programme," one official was that the armed forces had commented. The general view stepped in because of the *violence, not because of the* Demirel government's *economic policies*.

Such qualified optimism is in marked contrast to the scale of the problems involved. The IMF forecasts that this year Turkey's requirements for external financing and debt relief total $4.4bn. Next year the figure is estimated to rise to $4.7bn a

How did Turkey develop problems on this scale? To some extent it is an early example—the worst so far—of the effect of rising oil bills can have on a developing country.

But the problem goes deeper, and is something of a lesson to the banks themselves. The *Turkish economy* was showing signs of strain as long ago as *1976. A slow-down in the West* hit emigrants' remittances, *growing protectionism* in Europe affected its exports, and *the U.S. arms embargo over* Cyprus proved costly. Yet the then-Demirel coalition embarked on a spending spree, *financing it* with a curious scheme under which banks were able to lend to Turkey at high interest rates with all exchange risks covered by the Turkish state.



Marion Sadger

In all, $2.4bn poured into Turkey in Convertible Turkish Lira Deposits. These loans postponed the day of *reckoning, but they contributed* to this "day" stretching into *years and being as painful as* it is now proving.

Letters to the Editor

Popular apples

From Mr. Douglas Kimberley

Sir,—It is most gratifying to *know from the Chairman of the* Apple and Pear Development *Council (September 10) that our* apple growers are getting off *their backsides in order to meet* competition from imported *varieties but one must wonder* if something more than the *introduction of new quality control* investigations is required *for it strikes me that serious* attention must also be given to *price and presentation*.

If EEC exporting rules set a standard *which must be met in* order to compete with imported *varieties they must be accepted* and I cannot see how the conditions within the French market affect our case. The competition arises in the UK — not in France.

I have no doubt that our climate enables us to enjoy an infinitely superior tasting product whilst at the same time militating against large and uniform size but is the UK customer influenced only by large size? Surely it is possible to grade home grown apples so that they may be offered in a range of uniform sizes suitably packed to prevent bruising.

What is also of considerable importance is the price. The excellent quality of the UK product is a *tremendous* advantage which appears to be sacrificed by a lack of good marketing, and we have already seen how this aspect influences the impressionable housewife.

Unless these aspects are corrected the home grown apple industry will be destroyed and then even patriotism will be too late.

Douglas Kimberley
26 Binney Street, W1

Industrial bribery

From Mr. John B. Francey

Sir,—I have from time to time expressed doubts on the wisdom of accepting as inevitable the closure or severe contraction of labour-intensive industries such as shipbuilding and heavy engineering, foundry work and suchlike. It has become obvious that earnings from taxation levies and sales of North Sea oil, a God-given asset which might be used to put new life into such industries, are being used instead to finance their closure. Workers are being "bribed" by substantial cash handouts to accept redundancy, and the situation has reached the stage where this Government (and I speak as a life-long Conservative) will be remembered not for its industrial undertakings but surely as industrial undertakers.

I cannot see that the construction of factory estates hopefully to house a fractional overspill from some foreign electronics development employing girl labour can possibly take the place of the hard core of industrial employment on which our great cities were founded. I fear that we have been too quick to accept defeat in areas *where our experience should* have given us a leading position.

John B. Francey,
59 Aytoun Drive,
Erskine, Renfrewshire.

Unit-linked policies

From Mr. N. J. Lynch

Sir,—Eric Short's article (August 30) *on self-employed* pensions is an interesting example of how facts can be used to produce misleading conclusions. Readers could be excused if, on seeing the headline ("Link for Success") and cursorily glancing at the tables and first few paragraphs while failing to appreciate the caveats contained in the finl section, they all rush out to buy unit-linked pension policies on the strength of this extremely *superficial summary*.

Regrettably the whole article *portrays a singular lack of* understanding of the unit-linked concept, but a number of specific areas call for comment:

Five years is a ludicrously short time to compare pension arrangements. What proportion of the self-employed start a scheme at 60 and finish at 65? *Even so, the five years selected* for the survey could not possibly have been more *likely* to "introduce a bias in favour of *linked business*" had the unit-linked companies themselves commissioned the survey! Those with long memories will not forget where *the FT* ordinary share index was in the early part of 1975, and this alone renders the single premium results meaningless.

To state that "the ultimate pension depends very much on the underlying investment performance" is inaccurate when talking of a unit-linked fund. If we were to take a typical case of a man aged, say, 40, with 25 years to go to retirement, the best results would be produced from a fund which performed extremely badly for 23 years and showed spectacular growth in the final two. In other words, find yourself a lack-lustre management team and take advantage of the low unit cost!

Needless to say, this is a point not emphasised by the purveyors of unit-linked policies any more than is the level of expenses contained in the premiums.

No, what is required from a unit-linked policy is the ability *to compound cost average by* buying at a spread of prices *while selling (retiring) when* the price is higher than that average. *How can this be* achieved when a typical policyholder *pays his premiums once* a year? It just is not possible *for most self-employed* to be able to predict their earnings to the extent that they can set up a monthly premium arrangement, *which would be the only* real way to achieve the averaging required. Further, what proportion of people can plan *their* retirement to coincide with high unit prices?

The real point that ought to be made is that whereas under conventional with profits policies all the policyholders bear the risks, and "profits" in the form of bonuses are equitably distributed according to the period each policy is in force, with the linked approach *there is no such sharing of the* benefits.

Not to put too fine a point on it, some policyholders scoop the pool while others carry the burden. Certainly this reader's pension will be based on a very much sounder footing.

N. J. Lynch.
68, West Common Road,
Bromley, Kent.

Export credits

From Mr. Sean Coffey.

Sir,—The comments made by the Midland Bank in its autumn review relating to the deficiencies in the ECGD's operations as reported on September 8 in the Financial Times are of course relevant to the general difficulties facing insured exporters but fail to grasp the real issue in one important respect.

As a Government Department the ECGD's objective is to encourage UK exports by reducing to a minimum the financial risks involved, especially important for the "small" exporter seeking entry to new markets. Additionally ECGD is expected to operate at no net cost to public funds by balancing premium income with claims payments and administration's costs. At a time of *worldwide economic recession* premium income invariably falls *in real terms while claims* payments rise. Additionally administration costs also rise as a result of a large number of exporters all chasing a diminishing amount of business and submitting applications for cover in respect of all export opportunities many of which they would in normal times never even consider. In short, as the economic recession deepens *ECGD costs and workloads rises*.

In practice though what has *happened recently is that the* ECGD has been required to cut *its staff by 10 per cent and at* the time of writing Ministers are attempting to impose *a further* 10 per cent cut. The effect of the Government's policies has as far as exporters are concerned meant that applications for cover and payment of claims are both delayed resulting in the first instance in the loss of business and second in increased *borrowings at high interest* rates by the smaller exporters. So far the cuts in staff have been absorbed by doing jobs less efficiently/quickly—further cuts will invariably lead to a reduction in the facilities offered.

If the Government is serious in wishing to help exporters, then rather than seeking to reduce the coverage and effectiveness of the ECGD's operations they should be entering into urgent discussions with industry in order to identfy what new facilities the ECGD should be offering in order to retain and hopefully increase the UK's levels of exports.

Sean Coffey,
Trade Union Side Secretary,
Exports Credits Guarantee Department,
Aldermanbury House, EC2.

EEC Conservatives

From the Chairman of the British Conservative Association in Belgium

Sir,—I would like to refer to the article which appeared in the August 30 edition of the Financial Times under the headline "Growing disenchantment with EEC among Tories." While the content of the article is a fair resume of the summary prepared by the Conservative Political Centre of the reports of the party discussion groups, the headline scarcely *reflects the general conclusion* that most groups are *committed to Europe. It is perhaps* significant that a number of *groups criticised the way in* which the media deals with *EEC affairs. I feel that on this* occasion even the Financial *Times has departed from its* usually objective standards.

W. J. Bennett,
Boite postale No. 105,
1040 Bruxelles,
Belgium.

Airport blight

From Councillor Derrick Wood

Sir.—Kevin Donne's article (September 10) concerning the planned expansion of Frankfurt Airport *highlights the dangers* in the continued delays in resolving the problems of development in the airports in London and the South-East. Mounting delays can have only one result, and that is the loss of the major part of this vital and dynamic industry to European competitors only too anxious to take advantage of this country's indecision. Present unemployment alone makes it imperative for a speedy decision to be made on where future expansion should take place in this one industry where growth is still taking place and so preventing the air transport industry from following the shipping industry to the Continent. "Lead times" for the various sites becomes, therefore, of fundamental importance and is one further factor in making Maplin, with its "lead time" of a minimum of 17 years, a complete non-starter.

Derrick Wood,
Chairman,
The Defenders of Essex.
The Chase, Rochford.

Protected incomes

From Mr. Adrian Gray

Sir,—If the Government has decided to make greater use of the savings of Britain's 9m or so retired persons would it not be able to raise a larger sum by offering index-linked *annuities* rather than Retirement Issue National Savings *Certificates?*

Many people over the age of 60 years are *in greater need of* a protected income than of protected capital. *Therefore, why* not offer 6 per cent tax free *annuities where the base* income figure would be *increased in line with the annual* rise in the Retail Prices Index? *Over the past 12 months such* a scheme would already have produced a 7 per cent return on cost.

This method would not only be cheaper than gilt-edged funding, it would also be self extinguishing, leaving no capital debt to be repaid.

Adrian Gray,
31, Russell Road, SW19.

Speaking computers are entering our lives. **Guy de Jonquieres** reports.

Hello Mr. Chips

AT THE Bedford plant of Texas Instruments (TI), the big U.S.-owned microelectronics manufacturer, employees start their day by chatting to a computer. To gain admission to the company's research facility, where commercially sensitive projects are under way, they announce themselves to a microphone at the door.

The computer, speaking in surprisingly lifelike tones, asks them politely to wait while it checks their voice against a file of electronic "voiceprints" of staff who are authorised to enter the facility. If it finds a match, it unlocks the door.

The computer can even identify a speaker whose voice is distorted by a heavy cold. In that case, it is programmed to say sympathetically: "I hope you feel better soon."

The TI security system is just one application of a rapidly-developing branch of computer technology which is expected to find literally millions of uses over the next few years in consumer products, homes, factories, offices and defence systems.

The Stanford Research Institute of California forecasts that the market for U.S.-made computerised speech systems will grow by at least 50 per cent a year to reach almost $2bn by the end of the next decade. It estimates that more than a quarter of total demand will be for use in defence and aerospace.

TI, which has pioneered much of the research and development in the field, for two years has been selling a child's learning aid called Speak And Spell, which costs about £50. It consists of a compact box equipped with a push button alphabetic keyboard, a loudspeaker and a small display screen.

The machine tells the child to spell one of up to 200 words by punching in the letters, which then light up on the screen. If the word is spelled correctly, the machine congratulates the child and sets another task. If the answer is wrong, the child is urged to have another try.

A "Speak And Spell" learning aid.

Adults need not feel left out of the fun. They will soon be able to play with microwave ovens which call out instructions and announce when the food they are cooking is ready. Televisions will shortly be on the market which switch channels in response to spoken commands, while lie-a-beds will be roused from their slumbers by talking alarm clocks

Speaking computers can play a valuable role in safety. The car industry is testing devices which warn the driver of mechanical failures, such as oil leaks, and even tell him what emergency action to take. Similar systems are planned to aid airline and fighter pilots and for use with heavy industrial machinery.

Behind this explosion of innovation lie the enormous advances made in developing low-cost silicon chips as powerful as a full-sized computer of a decade or so ago. A handful of chip modules, none more than four inches long, can provide the "brains" and "voice box" of a talking device with a vocabulary of several hundred words.

TI will also program the chips with a vocabulary selected by the customer from a repertoire of words and phrases. The devices do not have to speak in the disjointed, mechanical tones of a Dalek. They can be given almost any voice the customer wants. "You want Laurence Olivier to answer your telephone when you're out?" says a TI executive. "If he'll lend his voice for a couple of hours we can program the chips you'll need."

The market is expected to get a big boost shortly when TI starts selling its speech chips off the shelf for as little as £50 per set of modules. Until now, the company has sold its chips only as part of a bigger system mounted on a printed circuit board and costing £1,000 or more. But it is shifting marketing tactics in response to increasing rivalry from other manufacturers.

In the U.S., National Semiconductor, General Instrument and Votrax, a division of Federal Screw Works, will all soon be selling speech chips of their own design. International Business Machines is using Votrax technology to make a typewriter for the blind. Another American company, Kurzeweil Computer Products, has developed a reading machine which turns printed characters into speech.

Japan is in the race, too. Much of the pioneering work was done by Nippon Telephone and Telegraph. But now Hitachi, among others, is making chips, which it plans to use in a talking lift, while Sharp has developed a talking pocket watch.

Interestingly, some Japanese efforts combine ultra-modern technology with venerable tradition. Hitachi's first talking product was a learning aid designed to teach students how to use an abacus, the centuries-old calculating device apparently still preferred by many Japanese to the electronic calculator.

Talking systems consist of three components: a memory chip which stores permanently the thousands of pieces of data used to reconstruct words; a synthesiser, which converts the data into signals used to drive a loudspeaker; and a microprocessor which controls the whole operation, acting on instructions stored in the memory.

Three different techniques can be used to make chips talk. Individual manufacturers vie in trumpeting the advantages of the particular one they have adopted. But the choice depends partly on the type of application required, since each method strikes a different compromise between speech quality, the speed at which data are processed and the size and cost of the memory required.

At present, computer technology is much better at making chips that talk than ones that listen. In theory, at least, there is no limit to the vocabulary which they can learn. But teaching them to recognise human speech accurately is quite another matter.

The technology involves several levels of sophistication. The simplest is identifying different voices. Computers are quite good at this. They can analyse fairly quickly human "voiceprints" which, experts say, are as varied and individual as fingerprints.

The next step up is the ability to recognise individual words and short phrases in isolation. Broadly speaking, a computer can be tought to identify a limited number of words spoken by many different people or a wider selection spoken by a few people with whose voices it is familiar. But if it were invited to a cocktail party full of strangers, it would be hard put to know what was going on.

> 'If a computer were invited to a cocktail party full of strangers, it would be hard put to know what was going on'

A computer's powers are limited because it does not "hear" in the same way as a human being does. It is constitutionally incapable of dealing with spoken words in the form in which they are communicated, as sound waves of varying pitch and frequency. Instead, the sound waves must be sampled and converted into computer language, a stream of digital pulses.

This means that as far as the machine is concerned the information it is being fed might just as well be coming from another computer. It therefore finds it hard to understand that, say, a Texan and a Glaswegian speaking the word "down" are both trying to communicate the same thing.

Nonetheless, computers are keen on self-improvement. By a process of trial and error, during which speakers repeat words until they are recognised correctly, machines can learn to take account of different accents and intonation. But they are slow, needing up to 100 times longer to recognise a word than it takes a human being to speak it.

In spite of these obstacles, equipment incorporating speech recognition is starting to reach the market. Dialog Systems, an affiliate of Exxon of the U.S., is selling a device which enables companies to maximise use of private leased telephone networks. An executive visiting a city not included in the network can ring a central computer, identify himself by means of his voiceprint and tell the machine to link him up with the circuit.

Dialog has also developed a system which enables bank customers to check the balance on their account or transfer funds by talking over the telephone to a computer. Another U.S. company, Threshhold Technology, is selling a device which makes it possible to control machinery by means of simple voice commands.

It is being used by Volkswagen in West Germany for production line quality control, by the Royal Navy for plotting charts and by New Zealand farmers for grading sheep. Several Post Offices in Britain and other European countries are using the systems experimentally for mail sorting, and some London banks are trying them out in their foreign exchange dealing rooms.

In the UK, International Computers (ICL) is looking at ways to apply speech technology in the office. Dr. Michael Underwood, who heads ICL's research team, is excited about the possibilities but also warns against exaggerating the potential.

"Speech is not a universal panacea," he says. "Until machines' ability to handle speech becomes much more sophisticated, it may create many problems." He thinks much more research must be done into human reactions to talking computers before they are introduced widely.

For the foreseeable future, he believes, computerised speech will complement, not replace, other methods of communication in the office. For example, it will be useful when an employee's hands are busy typing or jotting down notes.

Chris Ellis, dicetor of strategy at Nexos, broadly agrees. His company, set up by the National Enterprise Board to develop and market advanced office information systems, has European rights to a very powerful computer made by Delphi, an Exxon subsidiary. It will enable an executive to attach a "voice note"—a spoken commentary stored in the computer's memory—to a text or diagram transmitted electronically to another executive's desktop terminal.

The toughest challenge still facing speech recognition technology is to teach a computer to understand continuous sentences. In spite of recent allegations that computers are being used illicitly to monitor telephone conversations, no machine capable of comprehending unbroken speech exists today: the most that can be done is to identify selected "keywords."

Progress will require much deeper analysis of the complex mental processes which go into human communication and the development of ways to transfer them to a computer. Ultimately, it may mean teaching machines how to think for themselves.

Many words and phrases used by human beings acquire meaning only because of the context in which they are set. A computer can grasp their significance only if it is told the subject of a conversation in advance and all the words which will crop up in it. Without such careful preparation, it would be totally floored by the distinction between, say, the phrases "grey tape" and "great ape."

Many researchers believe that the problem will be cracked at some time in the future, yielding the secret of the dream (or nightmare) of a machine which can behave like a human being. If and when that happens, the onus will shift to human society to control and adapt to the momentous changes that it will bring to our lives.

Weekend Brief

Tilting at the big windmills

DON QUIXOTE tilted at windmills, a futile gesture. Until this week, it had appeared that John Anderson's pursuit of the American Presidency was equally quixotic. It almost certainly still is; for it is hard to imagine many people south of the Mason-Dixon line and west of the Mississippi getting enthused over a hitherto obscure Congressman from Illinois whose best known proposal would add fifty cents to a gallon of petrol.

But John Anderson's lance is starting to snag the works of the big windmills, Jimmy Carter and Ronald Reagan. It was the President's refusal to grant legitimacy to the Anderson candidacy that prompted him to pull out of triangular televised debate: it is the less frequently voiced fear of the Reagan camp that even a rump Anderson cause could siphon enough support away from moderate Republicans to ensure the status quo in the White House. Both main party nominees, especially Mr. Carter, are now running scared of the independent spoiler.

It may be impolite, even denigrating, to Mr. Anderson to suggest that his attraction equals the sum of disaffection with Mr. Carter and Mr. Reagan, a negative appeal as it were, which all independent Presidential aspirants in the 20th century have fleetingly enjoyed, but, in the end, found insufficient. After all, the League of Women Voters, sponsors of the debate series, has pronounced Mr. Anderson a genuine contender in his own right by including him in their invitations. So has the Federal Election Commission, which deemed him worthy of post-election reimbursement, if he gets 5 per cent of the vote in November.

In fact most national polls currently give him about three times this figure. He had been slipping noticeably in July and August but has since stabilised and even moved up a bit. He also scored another coup recently when the small, but influential, New York State Liberal Party, which previously has always supported Democratic presidential nominees, endorsed his candidacy, thus assuring that his name will be on the New York ballot in November.

Mr. Anderson, who has an attractive smile and an engaging, indomitable wife, Keke, has had trouble of late in getting across what he stands for, as opposed to what he stands against. It was easier in the Republican primaries, when his relative liberalism stood in sharp contrast with the true-blue Republican pack.

His record is, like most politicians — though not Ronald Reagan — a bit inconsistent. In the first half of his 20 years in Congress he was a predictable conservative, even, at one stage, an advocate of a Bill that would effectively have ended the constitutional separation of church and state.

But in the 1970s he truly emerged as a leader of the Republican liberal wing, an effective civil rights advocate, a social progressive but a fiscal conservative. The election policy platform that he has now unvelled is a product of this later experience, a melange (the petrol tax, now infrequently mentioned, excepted) of mainstream American political and economic ideas, a pragmatic grafting of the unexceptional.

Roger Taylor

John Anderson: independent candidate for U.S. Presidency.

But 1980 has also brought out the politician, as well as the man of principle. He did not choose Patrick Lucey as his running mate because the former Governor of Wisconsin shared his idealism but because he opened an avenue to liberal democrats: he did not flirt with Senator Edward Kennedy before the Democratic convention out of affection but in vain pursuit of a deal. He has found it is convenient as Mr. Carter and Mr. Reagan to swear that his allegiance to Israel is absolute.

He gets his best reception from the young, particularly on college campuses, but he has not generated yet anything like the enthusiasm of Senator Eugene McCarthy's anti-war "children's crusade" of 12 years ago. But then, America in 1980 is a nation unreceptive to causes, unless narrowly defined by special interests.

Ten days ago, John Anderson was written off; this week he has been written back into the presidential script: certainly not as the next inhabitant of the oval office but as the deus ex machina. He would object to this, as he must but, barring the unforeseeable, that is political reality.

Bits of Empire left behind

DIPLOMATIC relations, or rather the cooling of them, have lost a great deal in the past few years. This week when the remaining staff of the British Embassy finally left, they flew out via British Airways, no doubt being serenaded by its musak as they flew over the mountains surrounding Tehran. But in 1951 when the Anglo-Iranian Oil Company was nationalised, Britons being evacuated left on the cruiser HMS Mauritius, which steamed out to sea while its band played "Colonel Bogey."

Even so Britain has left behind some items of its imperial past which, unless confiscated by revolutionary whim, will make life fairly comfortable for any diplomats posted back there sometime in the future.

Her Majesty's Government remains the proud owner of not one piece of land in Tehran but two—and they are not just office sites but large walled compounds comprising several acres. In terms of real estate their worth is inestimable.

The compound in central Tehran opposite the carpet dealers on Ferdowsi Avenue is a delightful haven of lawns and trees. From outside it is only possible to see the chancery building, an unfortunate edifice of 1960s Ministry of Works functional architecture. But just 100 yards away is the ambassador's residence, a magnificent single-storeyed building constructed in the 1850s.

In a more imperial age the compound was guarded by a special detachment of Indian troops. Now the only memory of them is their lances which stand along the walls of the main corridor in the residence. The building is also where Churchill, Stalin and Roosevelt met in November 1943 to finalise plans for the Second Front. In the dining room there is a plaque commemorating the event and since then ambassadors have had to smile tolerantly as successions of less than serious guests have started acting the parts of the more famous men who sat in the chairs before them.

Outside in the garden the ambassador used to have special dispensation from the Shah to keep peacocks but since the demise of the Peacock Throne, it has been felt wiser for this tradition to lapse.

The northern compound at Gulhak used to be a day's ride from the main site but as Tehran has boomed, suburbs have grown up round about it. Standing on the lower slopes of the Elborz mountains, its extra thousand feet or so provide welcome relief during the summer, and by tradition the ambassador would always move up to his summer residence there in about May.

More recently Gulhak has become little more than a site for extra accommodation. Like the Ferdowsi compound it is guarded by a trusted band of Iranian and Pakistani employees—the latter not some relic of Raj but rather an indication of how tight the labour market was during the early days of the oil boom.

Old soldiers never die

"THE sudden silence of the tape machines hit him. In a lifetime of newspaper work he had never realised that tape machines could stop. At that moment he and many others positively knew what it meant to be in at the death of a newspaper."

The words are those of an old News Chronicle man, writing of the night his newspaper folded 20 years ago, the first national daily to crash—with it its evening stablemate The Star—after World War Two.

It happened suddenly. John Johnson, the Chronicle's chief sub-editor at the time, says that although tere were suspicions that the end was near the closure was a surprise and tears were shed when proprietor Laurence Cadbury read the valedictory notice to the staff.

Where are they now? It seems that old journalists never die. On Friday, October 17, the twentieth anniversary of the closure, about 200 old News Chronicle and Star journalists will assemble at the London Press Club, and hold a delayed wake which will continue until early Saturday morning.

A look at the list of guests suggest that most News Chron men are still alive and well and living in Fleet Street. James Cameron will be there and that veteran of foreign journalists, William Forrest. There will be Daily Mirror political writer Geoffrey Goodman, Sun deputy editor Arthur Brittenden, award-winning sports writer Ian Wooldridge and the Financial Times's Anthony Moreton. The paper's political correspondent, Ian Trethowan, now director-general of the BBC will be out of town on the night, but has sent best wishes.

The reunion has been organised by Johnson. "It will be a happy occasion," he said. "We shall talk and drink and eat and the club will be open late."

The Chronicle's closure was a watershed in the life of Fleet Street. It was probably the last of the "quality-pop" daily newspapers. Its readers, former chairmen George Glenton and William Pattinson say, in a book about the paper's demise, "were the kind of people who would choose Brand X in the face of intensive campaigns to condition them otherwise.

"They were in fact suspiciously like the kind of society Charles Dickens must have hoped for when his Daily News (the Chronicle's predecessor) began. They were classless and independent, they thought as naturally as they breathed, they were the meek who one day, we are told, will inherit the earth."

It was all very sad, the death of one of Britain's last real liberal daily newspapers. But the journalists who will be at the Press Club on October 17 seemed to have survived pretty well.

And not much else seems to have changed in 20 years. The paper's last lead story headline was about a Labour Party split —Last Ditch Peace Plea to Gaitskell.

Sailing made easy —or easier

ANYONE who has spent any time on a sailboat will know that the moments of greatest tension are those immediately preceding and during a change of sail. Lifelong friendships have fractured, marriages severely strained in those friction-filled seconds as the genoa is hauled in to make way for the jib.

A change of wind, a need for more or less canvas can turn the most souciant of skippers into a Captain Bligh, screaming and shouting at his cowering crew.

But thanks to an American yacht designer, an Arab investment group and a British boat-building company, those sail changes could well be a thing of the past.

At the Southampton Boat Show next week a range of yachts called Freedom is confidently expected to outsell everything in sight simply because its revolutionary rigging system eliminates the need for any sail changes. No more headsails, no more spinnakers, no more winches—in fact no more tacking tantrums.

According to Chris Samuelson, chief executive of Fairways Marine, which builds the American-designed Freedom in this country, the new boat will do for travelling by wind and water what the introduction of the horseless carriage did for travelling by road.

"It makes sailing so incredibly simple," Samuelson says. "I am convinced that eventually this new system of rigging will replace all traditional rigging. Everyone who has sailed one so far has ended up ordering one because they are so much easier than conventional yachts to handle."

Samuelson is a former investment banker and spare-time sailor who runs Fairways Marine for the Jeddah-based Shobokshi group. Shobokshi moved into boatbuilding in the UK by buying Skellon Yachts after it fell into the hands of the receivers last October, renaming it Fairways Marine and investing in it a massive chunk of working capital.

In January the company acquired the UK franchise for Freedom and since then turnover has shot up from rock-bottom to almost £3m in spite of a world-wide fall in pleasure boat sales.

"We are fielding about a thousand inquiries a month. The most interesting factor is that it is not just the weekend sailor who is buying the Freedom—it has also had tremendous acceptance from the professionals. John Oakley, the former Lionheart skipper, will be racing a Freedom 33 next season and Dame Naomi James and Laural Holland (wife of Morning Cloud designer Ron Holland) will be entering a 65 foot Freedom in the Ostar Two-hander from Plymouth to Rhode Island."

Contributors:
Jurek Martin
Simon Henderson
Alan Forrest
Robyn Wilson

Economic Diary

TODAY: National conference on local action to save energy, Civic Centre, Newcastle upon Tyne. Sir Keith Joseph, Industry Secretary, speaks at Southport. Liberal Party assembly concludes, Blackpool.

TOMORROW: Brewing Technology conference opens, Harrogate (to September 19).

MONDAY: Department of Trade issues the August provisional figures of retail sales. Balance of payments current account and overseas trade figures (August). Index of industrial production (July—provisional). Financial Times conference opens on developing the annual company (to September 16). Oil, Finance and Foreign Ministers of OPEC meet in Vienna to discuss oil prices. EEC Foreign Affairs Council meets in Brussels. Sir Keith Joseph, Industry Secretary, visits South West.

TUESDAY: Dutch Budget for 1981 presented to Parliament. British Pharmaceutical conference opens, Newcastle upon Tyne (to September 19).

WEDNESDAY: Cyclical indicators for the UK economy (August). Indices of average earnings (July). Indices of basic rates of wages (August). Money stock (second quarter). Financing of the Central Government borrowing requirement (second quarter). UK banking sector statistics (second quarter). 1980 edition of the Blue Book on National Income and Expenditure published.

THURSDAY: London dollar and sterling certificates of deposit (mid-August). UK banks' assets and liabilities and the money stock (mid-August). Capital expenditure by the manufacturing, distributive and service industries (second quarter—revised). Manufacturers and distributors stocks (second quarter — revised).

FRIDAY: International Monetary Fund votes on admission of Palestinian Liberation Organisation as an observer.

UK COMPANY NEWS

Appleyard hit by BL and Scottish operations

THE MOST difficult six months ever for the **Appleyard Group of Companies** has meant a slump in trading profits to £241,000 for the period to June 30, 1980, against £1.67m last time. And after interest and display charges up from £684,000 to £1.09m, there was a loss before tax of £845,000, compared with profits of £988,000.

This motor dealing, agricultural equipment and fuel oil group suffered poor trading conditions, in particular relating to its BL operations, which were increased by severe problems in its Scottish region.

Mr. Ian Appleyard, the chairman, says the board has continued to take vigorous action in rationalising the group to deal with all these problems, but as the group will trade at a loss for the second half of 1980, no interim dividend is being declared.

Last year, an interim of 2.25p *net per share was followed by a* final of 2p. Pre-tax profits totalled £652,000, after a second-half loss of £336,000.

Mr. Appleyard explains that although in the second half the *group has the stimulus of very* important new model introduc*tions—the Ital and Metro from* BL, the Escort from Ford and the new Rolls-Royce—the business environment remains *difficult and margins* continue to be depressed.

However, the drastic closure and reorganisation programme implemented, combined with measures taken to improve the efficiency of continuing businesses, will give the group the maximum opportunity to benefit from any upturn in the market, he adds.

The major problem area in the six months continued to be Glasgow and despite strenuous efforts made over the last two years to make Appleyard (Glasgow) profitable, it was concluded that there was no hope of returning that company to profitability. On July 1, therefore, the closure of all remaining car sales and service activities in that city was announced.

Throughout the group progressive steps have been taken to cut costs and reduce the scale of activities commensurate with the market volume. Operations in Edinburgh have been concentrated on one site and in Leeds are being drastically scaled down. These steps result in a considerable reduction in the number of employees.

It has therefore been thought prudent to provide for terminal costs relating to businesses closed or now being closed and for rationalisation costs relating to the Leeds depot. These total £1.94m and are included in extraordinary debits of £1.85m, which were reduced slightly by an exgratia receipt from a major supplier of £5,000 and realised profits of £86,000 on properties sold by June 30.

The group has sold or entered into contracts to sell properties released by its rationalisation programme realising £2m, which compares with their book value of £1.6m. Negotiations are being actively pursued for the sale of the four acre site at Crow Road, Glasgow, while the motor business at Helensburgh is being sold as a going concern.

These disposals, together with very strict cash controls, should result in a signficantly lower level of borrowings by December 31, 1980, compared with the position a year earlier.

External sales for the six months fell from £70.04m to £66.1m, excluding car tax and VAT. Trading profits of continuing businesses totalled £751,000 (£1.77m), but losses were up from £96,000 to £510,000 for businesses closed or now being closed.

After a tax charge of £39,000 (£240,000) and extraordinary items, there was an available deficit of £2.73m, against profits of £748,000. Earnings per 25p share last time were 9.23p.

● comment

The only real surprise to come out of Appleyard yesterday was the market's reaction to the figures. True, nobody could have been expecting very much, it was obvious that Scotland was a major problem, but even adding back trading losses on discontinued operations, after sharply higher financing costs there was a £355,000 loss in the first half. Nevertheless the price rose 1p to 41p. The whole automotive market has been soft but no doubt Appleyard's biggest headache was its BL franchise where it probably made a loss before interest. With the closure of much of its Scottish activities BL will become far less important to sales and profitability should *improve in the second half*, especially with the launch of new *models from both BL and* Ford. Still the group will be *in the red for the year*. The last accounts showed debt of £7½m *against shareholders' funds* of £11.8m but borrowings are now lower thanks to asset disposals and the Glasgow site should be worth £800,000 on its present usage and a lot more if changed. The 150p asset backing is the major prop for the price at present.

Burnett & Hallamshire seeks £11m injection

Burnett and Hallamshire Holdings, the coal mining and fuel distribution group which more than doubled its pre-tax profit in the year ended March 31, 1980, is raising some £11m by a one-for-five rights issue at 650p.

The 1,768,129 shares to be issued will rank for all dividends to be paid in the current year. The company intends to at least maintain the 8p a share rate paid in respect of last year. Dealings in the new shares are expected to begin on September 30.

The directors say that funds *are needed to enable the group* to take advantage of acquisition *opportunities as and when they* arise, while maintaining flexi*bility in the use of current* borrowing facilities.

The company's overseas research has resulted in the identification of opportunities that are likely to crystallise during the next 12 months. These opportunities, in addition to the UK expansion programme, will call for high levels of capital expenditure.

Current trading continues to be satisfactory and all divisions are operating profitably in line with internal expectations. A satisfactory mix of profits between the divisions is being maintained with mining activities continuing to contribute the major proportion. The directors have confidence that further growth will be achieved.

An EGM has been called for September 29 to raise the capital from £2.5m to £3.5m.

The issue has been underwritten by Brown Shipley. *Brokers to the issue are* Capel-Cure Myers.

● comment

With *£11m* in hand from the rights issue, an enlarged authorised share base and virtually no net borrowings, **Burnett and Hallamshire** will be well equipped indeed to bring some big coal deals to fruition in Pennsylvania, Belgium and South America in the next few months. The group also expects to spend £7m-£10m this year to support the growth of its existing businesses. With so many projects in the wind, the group's prospects for the current year are difficult to forecast. However, the promise of an at least maintained dividend on the enlarged share base indicates the group's confidence. The *shares dipped a mere 5p to 750p* yesterday and at the ex-rights price of 733p, the yield is only 1.6 per cent. If the company *was to earn £10m before* tax, an increase of 37 per cent, the fully *taxed earnings per share would* be only slightly below last year's *level and the prospective p/e on* the average weighted share capital would be nearly *15*.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Appleyard Group ... int.	Nil	—	2.25	—	4.25
A. and C. Black ...... int.	0.5	—	2.6	—	5.39
Bracken Mines	47‡	Nov. 7	28	84	52
Cantors	1.48	—	1.48	2.3	2.3
Chas. Clifford Inds. int.	Nil	—	3	—	7.5
Friedland Doggart int.	1.85	—	1.75	—	4.45
IDC Group .... int.	1.21	Oct. 31	1.1*	—	4.6*
Kinross Mines	107‡	Nov. 7	42	191	74
Leslie Gold Mines	31‡	Nov. 7	18	60	32
Norvic Secs. .... int.	Nil	—	0.4	—§	1.2
George Oliver .... int.	1.1	Oct. 22	1	—	4
Rowton Hotels ......int.	3.15	Oct. 31	3.15	—	9.0
St. Helena Mines	418‡	Nov. 7	175	723	300
Unisel Gold Mines	40‡	Nov. 7	—	80	—
Winkelhaak	259‡	Nov. 7	125	453	205

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital *increased by rights and/or acquisition issues.* ‡ South African cents gross throughout. § Nil payment forecast.

Cantors holds dividend

LOSSES OF £290,000 in the second half, *against profits of* £303,000 last time, left Cantors, retailer of house furnishings, carpets and beddings, with a pre-tax deficit of £135,000 for the 52 weeks ended April 26, 1980, compared with £644,000 profits. Turnover for the year, however, *improved from £17.09m* to £18.6m, excluding VAT.

Adverse trading conditions and results have continued since the year end, but having regard to the group's very large reserves, the board has recommended an unchanged final dividend of 1.475p net which holds the total *at 2.3p per 20p share*. Loss per share was 2.85p (8.63p *earnings*).

Operating surplus slumped *from £1.01m to £75,000*, before a charge of £210,000 (£366,000) representing increase in provision for deferred profit.

With SSAP 15 adopted, tax took £53,000 (£52,000). There were extraordinary credits of £313,000 last time, and with earnings of £3.4m (£2.62m) *brought forward, the available* surplus was £3.21m against £3.52m.

Dividends again absorbed *£126,000* after waivers of £36,000 (same) by directors and their families.

BAC payout too small, says GEC

PROFITS OF General Electric Company in the past few months have been running ahead of those for the same period of last year, Lord Nelson, the chairman, told yesterday's annual meeting.

But he devoted the bulk of his remarks to the obtaining of improved compensation for the company's nationalised aerospace interests. GEC and Vickers have accepted total compensation of £95m for British Aircraft Corporation, which they formerly owned together.

The BAC stockholders' representative, who said he could not negotiate a *higher* figure with the Government, also advised that compensation should total over £200m by international standards.

"We will continue to strive, *through such means as* are available to us, to rectify what we *consider to be a blatant* injustice to our company and *to obtain the balance of compen*sation to which we are fully *entitled," said Lord Nelson*.

The figure of £95m was based *on a valuation of BAC over the* six months *to* February, 1974. But the *stockholders'* representative, Mr. Peter Grant of merchant bank Lazard Brothers, has said compensation should be based on the value at the vesting date of April, 1977.

Answering shareholders' questions, Lord Nelson said there were no further negotiations with the Government, which has said it will not introduce the amending legislation to increase compensation terms laid down in the Nationalisation Act, 1977.

"We have basically been robbed of a very valuable asset," he said. He added that GEC would pursue the matter elsewhere, but did not elaborate. It is believed that the group will put its case before the European Court of Justice.

● At the Thorn EMI annual meeting, Sir Richard Cave, chairman, said trading in the current financial year had started poorly so profits for the six months to September 30 must be expected to be less than for the same *period last year*.

Lex, Back Page

A & C Black setback: interim cut

FOLLOWING A dramatic fall in profit for the first half, the directors of **A. and C. Black** (publishers) consider it unlikely that the group will show a profit for the year.

In the first half profit dropped from £77,000 to £6,000 and the *interim dividend is being cut* from 2.6p to 0.5p per share. Earnings were *0.6p (4.7p)*.

The directors report that trading conditions became further depressed, with sales to *schools and libraries in the UK* being particularly affected.

The publishing company ran into a loss, but this was offset by a non-recurring contribution from the holding company arising from the sale of investment, and by a satisfactory profit from the fishing book club.

"Conditions show no immediate signs of improvement," they tell members.

Norvic tumbles into the red and no dividends to be paid

DIFFICULT TRADING conditions for footwear manufacturer, *Norvic Securities have borne* most heavily on its men's factory *at Northampton and its ladies'* operation in Mansfield, and meant the group incurred a pre-tax loss of £540,000 for the first half of 1980, compared with profits of £105,000 last time. External sales dropped from £8m to £7.19m.

Mr. C. L. Metcalfe, the chairman, expects a loss for the second half "not very dissimilar *to the first half*" and adds that no dividends will be payable on *either the preference or* ordinary shares.

Last year, pre-tax profits totalled £136,000, including £29,000 temporary employment subsidy, and an interim dividend of 0.4p net was followed by a final of 0.8p.

Final closure of the Northampton unit is to take place in October—losses to the date of anticipated closure, together with redundancy expenses and provisions for stock losses, *amount to £330,000 before* interest and head office charges.

A *smaller men's manufactur*ing unit has been established in the *Norwich factory* and there are already more than enough orders on hand to ensure that this will be a viable and profitable operation, the chairman states.

The Mansfield ladies' factory incurred an operating loss of over £300,000 for the first half and these losses are continuing. The effects of the strong pound eliminated export orders for the EEC, which last year accounted for nearly half of its production. This coupled with the UK recession produced a staggering 80 per cent drop in Mansfield's autumn order book. Substantial redundancies have been announced, the costs of which will fall in the second half.

However, even though this unit will not return to profit *this year, Mr. Metcalfe is con*fident of its long-term future.

The expensive moves at Norwich to combine manufacturing units are nearly complete *and the whole operation will be* under one roof by mid-October. However, *to facilitate this move* and to decrease stocks and work-in-progress the commencement of the spring 1981 manufacturing programme has been put back by six weeks, which will result in manufacturing losses for that period.

Mr. Metcalfe reassures shareholders that the present situation is going almost according to plan, the exception being the severe loss of business at Mansfield and additional losses from this source.

He says the group's position is that by the end of the year it will have been re-structured so that only a moderate improvement in its present order situation is needed to restore it to profitability.

A *professional revaluation of* the Norwich properties has been *carried out, which will probably* be incorporated in the year-end *balance sheet, and will show a* surplus over existing book values of some *£0.75m*.

Charles Clifford falls into loss

FOLLOWING A turnround from trading profits of *£215,000* to losses of £166,000 in the first six months of 1980, the directors of **Charles Clifford Industries** have decided against paying an interim dividend.

They say that rigorous economies have been effected and a break-even position has now been reached. A further improvement is expected next year, they add.

The share of associates' profits this time, amounting to £42,000, reduces the loss to £124,000, but *after exceptional and extra*ordinary debits of £389,000 *(£12,000 credit)*, tax of £30,000 (nil) and preference dividends *of £31,000 (£1,000)*, there is an attributable loss of £574,000 *against profits of £226,000*.

The loss per £1 share is shown *as 21.7p (17p earnings)*.

The exceptional and extraordinary items comprise: relocation of machinery £151,000; losses of discontinued activities £99,000; redundancy payments £104,000; and compensation to former directors of subsidiaries £35,000.

First-half sales declined from £6.39m to £5.31m and this can be accounted for, say the directors, by the disposal of loss-making activities and by the marked downturn in industrial confidence, which has resulted in a number of orders being reduced or postponed.

The modernisation programme, which is fully financed, is nearing completion, they state, and the much *improved* production facilities will make it possible *to supply a better range of pro*ducts with considerable savings *in costs. The group is engaged* in the manufacture and treat*ment of non-ferrous metals*.

A subsidiary has been formed in South Africa, and other export opportunities in some 50 countries are being energetically pursued, say the directors.

For the whole of *1979*, there were trading profits of £231,000 before extraordinary and exceptional debits of £158,000.

● comment

Things are grim up at Dogpool Mills, the headquarters of **Charles Clifford Industries**, the extruder of metal with an attributable loss of £574,000 and a capital gearing level of 80 per cent. In the wake of last year's costly engineering dispute the group was hit by the steel strike, interest charges of £200,000 and further costs related to its two year modernisation programme. The first half losses of Clifford should just about eat through the £570,000 raised in a rights issue last December and in the second half the group may break even. The company has reduced its workforce from 600 to 350, which has been provided for under the £389,000 of exceptional and extraordinary items. These provisions include the second half. In the current year, assum*ing a break-even showing in the* second half, there should be little *change from the present £166,000* pre-tax loss. None of this is encouraging, but the final result of the Jessel regime's new management innovations and reorganisations may still be positive by the middle of 1981.

BL HALF-YEAR

Results of BL for the six months to June 28, 1980 and for the corresponding period last year are given in the table below.

	Six months 1980 £m	1979 £m
Sales	*1,421*	*1,660*
UK	841	1,021
Overseas	580	639
Depn. and amortn. ...	51.1	43.7
Trading loss	93.4	*47.7
Exceptl. debit†	16.8	—
Interest	44.7	27.6
Pre-tax loss	*164.9*	*20.1
Tax	1	3.8
Minorities	2.7	2.2
Extraord. debit‡	22.9	4.9
Net loss	181.5	* 9.2

**Profit.* † Refers to manpower reductions in plants which continue in *operation*. *‡ Mainly costs of closures* of plants or companies where operations are being discontinued.

MINING NEWS

IU plans $100m gold mine

BY KENNETH MARSTON, MINING EDITOR

THE U.S. diversified **IU International Corporation** is to go ahead with the development of a relatively *shallow* $100m (£41m) gold mine near Contwoyto Lake in Canada's Northwest Territories, containing *about 1m troy ounces of gold*.

Exploration work by the company's **Echo Bay Mines** subsidiary has indicated ore reserves of about *2.7m tons down* to 650 feet with an average grade of 0.38 troy ounces (11.8 grammes) per ton.

Production is expected to start in about two years' time at an annual milling rate of about 350,000 tons of ore, giving the property a life of about seven years. However, this will be extended if the orebody goes below the 650 feet level; one drillhole has intersected ore at 1,560 feet, averaging 0.58 oz gold over a big width of 31 feet.

Mr. John Gilray Christy, president and chief executive of *IU said* yesterday that several methods of financing the new mine were being considered. Discussions will be held with investment bankers, private investors and major mining companies concerning possible joint ventures.

The existing silver mine of Echo Bay expects to produce about 1.4m oz of silver this year. Because of the operation's geology there is rarely more than one year's supply of proven ore reserves ahead of the mill and Mr. Christy said that "we could be phasing out silver operations at about the time the gold mine moves into full-scale production."

IU has been mining precious metals near the Arctic Circle for more than 15 years. In the past 10 years alone, Echo Bay has produced more than 20m oz *of silver and contributed* approximately $50m in operating earnings to *IU*. Echo Bay miners, who work part of the year when outside temperatures are 40 degrees below zero, are currently producing silver from the Eldorado mine at Port Radium, as well as from a small satellite operation in the same area.

Gold producers boost finals

INCREASED FINAL dividends *for the year to September 30* from the South African gold producers in the **General Mining Union Corporation** group match *best expectations*. That of St. Helena is notably good at 418 *cents (230p)* and makes a year's total of 723 cents against only *300 cents for 1978-79*.

Also particularly pleasing is Winkelhaak's final of 259 cents to make 453 cents against 205 cents in the previous year. The final *from* Kinross *goes up to* 107 cents, making 191 cents against 74 cents *last time*.

Bracken's payment of 47 cents *makes 84 cents against 52 cents* while that of Leslie at 31 cents makes 60 cents *against* 32 cents. Unisel, which declared a first dividend of 40 cents in March is now declaring a further 40 *cents*.

Results due next week

GKN will be suffering from the *steel strike blues* when it unveils its interim figures next Thursday. The chairman warned at the group's annual meeting in *May that* profits in the first half of 1980 would fall substantially *below those* for the same period last year. City analysts are *guessing* that steel strike induced losses will be above *£15m. The difficulties* are compounded by a lack of demand in *the automotive components* business. A third headache is *the high level of redundancy* costs. The betting is that GKN's *half-time pre-tax profits* will be down to some £30m, possibly less, *against last year's £53.5m*. The interim dividend may well *be maintained at 5.8p net*, however.

On Wednesday, Consolidated Gold Fields will publish preliminary figures and Rio Tinto-Zinc will report interim results. Both mining finance groups are expected to show substantial profit gains based on strong metal prices. Gold Fields Australia has already reported a 57 per cent profit increase and Gold Fields of South Africa a nearly doubled result for the year to June 30. Reports from Amey Roadstone are also encouraging so the group could show about 56p a share compared to 38p last year. After the more than doubled interim dividend, the final may be held to 10p, making 17.5p for the year. RTZ's main operating subsidiaries have also reported good figures and the group is expected to earn about 35p a share at the interim compared, to 24.4p. Rumours of a rights issue are rife but the company is taking in a lot of money these days.

Standard Telephone and Cables *is expected to report* pre-tax profits of around £20m, compared with *£16m last year, when* it produces interim figures on *Friday*. The group suffered from the haulage strike in the first *half of last* year and the beginning of 1980 may have seen some catch up from the engineering strike, so some exceptional *factors will be at work*. On the telecommunications side, STC is *effectively cushioned* from the recession by its massive Post *Office order book* while the components business should have seen *the benefit of* price increases in the first quarter. *Towards the end of the period*, however, demand is expected to *have slackened*.

The last of the major insurance companies, Eagle Star and Legal and General report their interim figures on Wednesday. The market is looking for some good figures from Eagle Star with pre-tax profits up by a quarter from £23.4m to £30m, arising from buoyant investment income and good growth from its non-insurance company Grovewood Securities. Underwriting losses are expected to be little changed from last year, the improvement in domestic business, especially the motor account, being offset by a deterioration in commercial, industrial and liability business. In contrast any improvement in L and G's net profits is likely to be restricted by the need to reserve for its overseas general business and its reinsurance subsidiary Victory and underwriting losses could be 50 per cent higher at £9m. Only improved life profits and higher investment income will enable the net profits to rise marginally from last year's £6.7m. Dividends should advance by around 15 per cent for both companies.

Although Delta Metal is said to have had a rather healthy first quarter, it cannot have avoided the bleak April-May-June period of difficult trading in the UK. Destocking hurts Delta especially hard since it manufactures a lot of intermediate products in the building products, electrical and engineering sectors. Not only retailers but also producers (Delta customers) have been unloading. Delta should, on the strength of the first quarter, come through with profits of around £14m, the same as last year's first six months. But the second half looks less promising and year-end profits of £25m or less against last year's £30m may be in order.

Analysts are approaching the interim figures from Rowntree Mackintosh with considerable trepidation and forecasts range from under £3m to over £5m. Last time the group made £9.5m pre-tax but, with high costs and interest charges together with low first *half* margins, a small change in the sales picture would have a dramatic effect on profits. Despite its heavy dependence on the exceptionally depressed sugar confectionery market, Rowntree will probably have picked up market share on confectionery — but at the expense of some hefty promotion costs. Much the same pattern will apply to Europe, where Rowntree has been making a thrust for higher market share and overseas profits generally will be depressed by the strength of sterling. To round off a depressing first half picture, Rowntree will show a steep increase in depreciation charges as a result of its recent heavy investment programme.

Other results due in next week's batch of reports include interims from Simon Engineering on Monday, Willis Faber on Tuesday, Booker McConnell, Croda and UDS on Thursday and Laporte on Friday. Preliminary results from Dalgety are due on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Australian and International Trust	Wednesday	1.0	2.35	1.0
Burns-Anderson	Wednesday	0.22	1.46	0.6
Chambers and Fargus	Monday	0.25	0.5	0.25
Consolidated Gold Fields	Wednesday	3.5108	10.0	7.5
Dalgety	*Wednesday*	*8.04*	11.96	11.0
Epicure Holdings	Wednesday	0.33	0.67	0.4
Goodman Brothers and Stockman	Friday	—	0.96	—
G.T. Japan Investment Trust	Thursday	2.0	5.0	1.0
Jentique (Holdings)	Monday	1.02995	1.45	1.03
Link House Publications	*Monday*	—	—	2.8
London Merchant Securities	Tuesday	0.22333	0.44333	0.4
Scholes (George H.)	Tuesday	6.0	12.52	6.0
Second City Properties	Thursday	0.5628	1.451	0.6191
Sirdar	Tuesday	1.0	3.0	2.0
Trafford Park Estates	*Wednesday*	1.96183	3.0	2.25
Westminster and Country Properties ...	Wednesday	0.5	1.0	1.0
INTERIM DIVIDENDS				
Baird (William)	Thursday	5.25	7.0	
Barrow Hepburn Group	*Tuesday*	*0.8*	*1.4*	
Bemrose Corporation	Wednesday	2.233	2.233	
Berwick Timpo	Wednesday	2.0	4.0	
Bifurcated Engineering	Monday	1.15	2.35	
Blockleys	Tuesday	1.5	4.89	
Boddingtons *Breweries*	Thursday	1.16667	1.33333	
Bodycote International	Tuesday	2.0	2.0	
Booker McConnell	Thursday	2.5	3.75	
Breedon and Cloud Hill Lime Works ...	Friday	2.5	5.0	
British Mohair Spinners	Wednesday	0.9581	2.8111	
Brown Boveri Kent (Holdings)	Thursday	1.0	1.2	
Burmah Oil Company (The)	Wednesday	1.5	5.0	
Corinthian Holdings	*Thursday*	0.5	1.0	
Cory (Horace)	Monday	0.6	0.7	
Croda International	Thursday	1.5	1.5	
Delta Metal Company (The)	Thursday	1.82	4.18	
Desoutter Brothers (Holdings)	Friday	2.7	4.5	
Eagle Star Holdings	Wednesday	4.15†	4.85	
Early (Charles) and Marriott (Witney)	Thursday	0.315	1.8972	
European Ferries	*Friday*	1.5	3.0	
Executex Clothes	Tuesday	0.667	1.188	
Expanded Metal Company (The)	Wednesday	2.0	2.5	
Federated Land	Monday	1.0	2.15	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Fisher (James) and Sons	Monday	0.75	1.0	
Garton Engineering	Thursday	3.3‖	3.5	
Guest, Keen and Nettlefolds	Thursday	5.8392	13.5545	
Hestair	*Thursday*	—	*1.0*	
Home Charm	Tuesday	0.7	1.6	
Inveresk Group	Tuesday	1.0	1.0	
Laporte Industries (Holdings)	Friday	3.5	5.25	
Law Land Company (The)	Wednesday	0.5	0.75	
Leadenhall Sterling	Monday	1.25	1.875	
Legal and General Group	Wednesday	2.6	5.0	
Liberty	Friday	0.8	2.6	
Liverpool Daily Post & Echo (The) ...	Thursday	3.462	6.038	
Low and Bonar Group (The)	Monday	5.0†	9.5	
Matthews (Bernard)	Tuesday	6.5	7.5	
Molins	Friday	2.2	5.698	
Oliver Group	Tuesday	1.4	3.0	
Perry (Harold) Motors	*Thursday*	1.5	2.0	
Phicom	Wednesday	0.45	0.55	
Pittard Group	Monday	1.375	2.625	
Richards & Wallington Industries	Monday	1.85	3.38	
Rio Tinto-Zinc Corporation (The)	Wednesday	4.5	10.5	
Rowntree Mackintosh	*Thursday*	2.5	4.75	
Scottish European Investment Co. (The)	Wednesday	0.4	1.25	
Simon Engineering	Monday	4.0	7.33	
Standard Telephones and Cables	Friday	2.0	6.0	
Steetley Company (The)	Thursday	4.0	6.5	
Travis and Arnold	Monday	0.58	3.0	
Tricentrol	Wednesday	2.8	4.2	
UDS Group	*Thursday*	2.6	3.61	
United States Debenture Corpn. (The)	Wednesday	2.81	2.78	
Wadkin	Tuesday	2.25	4.22	
Watts, Blake, Bearne	[illegible]	[illegible]	[illegible]	
Wilkes (James)	[illegible]	[illegible]	[illegible]	
Willis Faber	[illegible]	[illegible]	[illegible]	
INTERIM FIGURES				
Kayser Bondor	[illegible]	[illegible]	[illegible]	
Martin-Black	[illegible]	[illegible]	[illegible]	
Neway Group	[illegible]	[illegible]	[illegible]	

هكذا من الأصل

* Dividends shown [illegible] pence per share and adjusted for any intervening scrip issue. † Includes compensating dividend of 0.15p to allow for the change in the tax rate. ‡ Includes special dividend of [illegible]. ¶ Includes *non-recurring dividend of 0.8p paid on December 12, 1979* [illegible] includes compensating dividend of 0.15p to allow for the change in the tax rate.

BIDS AND DEALS

BICC aborts Higgs & Hill takeover bid

BICC, the electrical and engineering group, has abandoned its "unwelcome" and controversial attempt to gain control of **Higgs and Hill**, the building contractor. And any new initiative was yesterday ruled out by the company.

The bid — which valued Higgs and Hill at almost £10m—stipulated as a "vital prerequisite" a joint audit of net tangible assets by Higgs and Hill's auditors and Coopers and Lybrand, an independent accountancy firm. But this had been refused by Higgs and Hill, on the grounds that it was an "unreasonable and unacceptable request."

Rejecting BICC's request, Mr. Edwin Phillips, chairman of Higgs and Hill, said on Thursday that he would not in any case be able to recommend BICC's 110p per share offer. He claimed assets of 190p per share for the company.

Mr. Harold De Ville, a director of BICC, said yesterday he was "disappointed but not discouraged" by the outcome. He made it clear, however, that BICC did not intend to come back with a new bid."

BICC's bid came after a detailed investigation of potential takeover candidates in the UK, which was part of the group's plan to strengthen and expand its existing construction activities. These are grouped within its Balfour Beatty operation which has particular strength in Scotland.

Mr. De Ville said there were a number of smaller building companies in the South of England to be looked at but the main aim at the moment would be to build up the company's industrial and commercial side organically. He reported a big upturn in Balfour's order intake.

With the threat of takeover disposed of, Higgs and Hill said yesterday it was "happy to get on with business in the normal way."

Higgs and Hill shares fell 7p to 87p on the news while BICC gained 3p to 148p.

BORTHWICK IN MORE TALKS ON NZ MEAT BUSINESS

Thomas Borthwick and Sons, the loss-making *international* meat trader, has ended talks with the **Canterbury Frozen Meat Company** of Christchurch, New Zealand, which could have resulted in a change of control of the group's meat interests *in* that country.

However, Dr. Bill Bullen, chairman of Borthwick, said yesterday that the group was still committed to more local involvement in its New Zealand interests and was talking to more than one party about these plans.

At the same time the company has announced the sale of its 20 per cent stake in the Canterbury Meat Company for £1.5m. Dr. Bullen said that the sale was totally unconnected with the ending of talks with that company. It was done to improve the company's cash position, he said. The shares went to institutional investors.

Dr. Bullen said that the long-term meat marketing arrangements with Canterbury Frozen Meat were continuing. Borthwick handles half the export business in New Zealand and *most of the* New Zealand lamb supplied to the UK market.

Earlier this week Borthwick said it was to *close* three of its seven UK abbatoirs and cut its workforce by a *third*, in an attempt to stem its losses which reached *£1m pre-tax in* the first half of the current year. The *company is also to close four of* its 24 depots and is considering the *closure of four* others.

HOECHST'S OPTION DECISION AWAITED BY YULE CATTO

Yule Catto, the plantation and investment group, is still waiting *for the go-ahead from* the Hoechst group of West Germany *before its bid for* **Revertex Chemicals** can be completed.

The *offer* remains open until September 28, with Yule Catto now having acceptances for 8.8m shares or 87.7 per cent of those *for which it has bid an agreed* £5.4m.

Yule Catto still awaits assurances from Hoechst and its British *subsidiary* over the future of Harlow Chemicals, the resins *company jointly owned by the* German chemical concern and Revertex. Hoechst has an *option* to buy the other half of Harlow if control of *Revertex changes* hands.

Talks with Hoechst are continuing, a condition of the bid being that the German group does not make use of this option. Yule Catto owned nearly 30 per cent of Revertex, a stake bought in a "dawn raid," before its bid.

LE BAS OFFER

Le Bas Investment Trust, an investment holding company, is making a *£2.28m* agreed offer for Edward Le Bas, the foundation equipment manufacturer. Through its subsidiary Burch Holdings, LBIT, which is already the majority shareholder in ELB with more than a 50 per cent stake, is offering 85p cash for each ordinary share and 75p cash for each preference share.

A statement which accompanied ELB's interim figures yesterday said that Burch intends to operate the subsidiaries of ELB on the same basis as at present and "in particular will continue to re-invest profits rather than increase dividends.

"In view of this and the restricted market in ELB shares it is considered that the minority *holders* should be given the opportunity to realise their *investment*."

The interim results show *group profit before tax* and extraordinary items down from *£226,000 to £164,000* in the first six month of 1980 on sales down *from £8.4m to £7.6m*. The interim dividend is maintained at 0.963p. *Profits for the full year* are expected to amount to around *£270,000 (£246,000)*.

ATTOCK PETROLEUM

Finance and Investment International, which already *owns* the former Pakistan interests of **Attock Petroleum**, has now bought a 25.6 per cent stake in the company.

Finance and Investment, based in the Cayman Islands, and owned by Saudi Arabian and Kuwaiti interests, bought a 10.67 per cent holding from Jon King Commodities, and holdings of 7.45 per cent each from Mr. Mazahir Husian and Mr. Hasan Mohammed Zaidi. A total of 955,408 shares were involved in the transactions.

REO STAKIS

In yesterday's report about Globe Investment Trust and Electra Investment Trust taking a combined 6.12 per cent stake in **Reo Stakis** of Glasgow, the respective holdings should have been stated as: Globe with 1.4 per cent (750,000 shares) and Electra 4.7 *per cent (2.525m)*.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The week's activity on the takeover front saw two bids from companies that had built up strategic stakes in their prospective targets by controversial "dawn raids." Starwest, a private company which acquired 29.5 per cent of housing estate developers Gough Cooper in July, has offered 120p cash for the remaining equity, valuing the whole of the company at £9.4m. Mr. John Boardman, chairman of Gough Cooper, has described the offer as "most unrealistic and surprising" and stated that the chairman of Starwest, Mr. Remo Dipre, had given assurances that a full bid would not be launched.

Mining Supplies, the North of England mining machinery manufacturer has made a share exchange offer for loss-making electrical concern Laurence Scott. Mining Supplies acquired a 27.18 per cent holding in May and is offering 8 of its ordinary shares for every 17 Laurence Scott. In compliance with the takeover code, there is a cash alternative of 60p—the highest price paid in the market by Mining Supplies.

Mr. Michael Ashcroft is selling his private investment company, Michael A. Ashcroft Holdings, to Provincial, the office services group of which he is chairman. Provincial will issue 10.5m shares to Mr. Ashcroft at 45p per share, valuing his assets at around £4.7m. One of the private company's major assets is a 24.7 per cent stake in Provincial, which will be placed with various institutions at 40p per share, thereby raising £2.2m.

In a separate deal, St. George's Laundry, the company which successfully resisted a takeover attempt by Provincial last year, has agreed to sell 26.7 per cent of its equity to Mr. Peter Dellar and Mr. Philip Dobson at 60p per share. The two men have been invited to join the board of St. George's, which has also placed 18.27 per cent of the shares with investment clients of Simon & Coates.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
B & Q (Retail)	85*	81	66	1.66	F. W. Wlwth.	29/9
Christy Bros.¶¶	30*	38	33	0.60	Simon and Coates	—
Coral Leisure	101½	95	65½††	85.63	Grand Met.	—
County and Dist. Props.	190*	186	195	16.35	Costain	—
Gough Cooper	120*§	124	102	6.65	Starwest	—
Kayser Bondor	100*§	46	56	0.67	Courtaulds	—
Laurence Scott	68§	70	60	4.68	Mining Supls.	—
Le Bas (Edward)	85*	53††	53††	2.13	Burch Bldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Marshall Cavendish¶¶	31*	31	27	4.60	Times Publshg. Berhad	—
Progressive Secs.	112†‖‖	110	91	2.51	Hawley Leisure	—
Revertex	51§	44	44	7.26	Yule Catto	—
RTD	5¼*	15	6¼	0.12	Simon and Coates	—
Tanjong Tin	115*§	120	115	1.20	Pahang Cons.	—
Wilkinson Match	187*§	180	160††	29.73	Allegheny Ludlum	15/9

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 12/9/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‖‖ Based on NAV 104.8.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Intl.	Apr.	77	(48)	—	(—)
Babcock Intl.	June	6,100	(15,480)	3.4	(3.4)
Banro Cons.	June	601	(553)	0.58	(0.58)
Barton & Sons	June	1,160	(2,050)	1.4	(1.27)
Bestobell	June	4,050	(3,260)	5.15	(4.5)
BICC	June	34,000	(27,600)	3.03	(2.75)
Biddle Holdings	June	722	(678)	2.4	(2.4)
Bowater	June	44,700	(42,700)	4.25	(4.25)
Brammall (C. D.)	June	918	(1,011)	2.05	(2.05)
Bridon	June	5,680	(8,070)	2.3	(2.3)
British Vita	June	3,700	(4,100)	2.6	(2.4)
B.S.R.	June	3,444L	(2,546)	—	(1.41)
B.T.R.	June	36,400	(27,400)	5.25	(4.13)
Carlton Inds.	June	6,040	(7,850)	4.0	(4.0)
Carpets Intl.	June	4,670	(670)	—	(1.75)
Collins (William)	June	175	(828)L	0.5	(—)
Cosalt	June	531	(1,130)	1.5	(1.5)
Danish Bacon	Aug.	376L	(1,520)	—	(4.0)
Dorada Holdings	June	85	(751)	2.1	(2.1)
Exeter Building	June	196	(98)	2.5	(1.88)
Farmer (S. W.)	June	574	(561)	3.07	(3.07)
Francis Parker	June	349	(177)	—	(—)
Hepwth. Ceramic	June	15,000	(15,280)	2.25	(2.25)
Hewitt (J.)	June	290	(162)	—	(—)
Jones & Shipman	June	1,360	(1,270)	1.0	(0.93)
KCA Interntnl.	June	2,000	(1,010)	2.5	(2.0)
Lanca	June	51	(95)	—	(—)
Lead Industries	June	8,800	(8,800)	3.7	(3.7)
Lewis (John)	July	9,200	(12,800)	—	(—)
Leyland Paint	June	296L	(582)	—	(1.0)
London United	June	1,340	(1,450)	4.0	(4.0)
Lyon & Lyon	June	205	(399)	1.5	(2.5)
Magnolia Mldgs.	June	387	(473)	0.6	(0.6)
Metal Closures	June	2,560	(2,780)	2.2	(2.2)
Montford Knttg.	June	93	(399)	1.0	(1.28)
Newbold & Burtn.	June	142	(276)	1.4	(1.4)
Nurdin & Peacock	June	2,710	(2,320)	1.88	(1.5)
Pearson Longman	June	5,571	(10,518)	3.75	(3.75)
Pearson (S.)	June	17,900	(20,600)	3.75	(3.75)
Pentos	June	602	(1,251)	1.4	(1.4)
P & O	June	12,910	(13,780)	3.0	(3.0)
Prudential Corp.	June	21,200‡	(20,200)‡	4.0	(3.5)
Portals Holdings	June	4,975	(4,509)	4.75	(4.25)
Reckitt & Colman	June	22,760	(25,210)	3.5	(3.5)
Sedgwick Group	June	22,900	(25,300)	2.0	(2.0)
Small & Tidmas	June	28	(153)	1.5	(2.0)
Spencer (George)	June	22L	(132)	0.8	(0.8)
Stndd. Chartered	June	121,300	(86,200)	12.0	(10.0)
Tavener Rutledge	June	51L	(157)L	—	(—)
Tilling (Thomas)	June	30,100	(28,800)	3.5	(3.0)
Turner & Newall	June	12,200	(18,800)	3.0	(4.5)
United Biscuits	July	16,100	(16,100)	1.87	(1.7)
Youghal Carpets	June	1,560†L	(760)†	—	(—)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † In Ir£. ‡ Net profits. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Bertam Rubber	Mar.	577	(583)	1.6	(1.7)	0.8	(0.75)
Clark (Matthew)	Apr.	2,660	(2,230)	19.9	(23.9)	7.5	(7.3)
Douglas (Robert)	Mar.	3,270	(2,980)	18.6	(21.8)	4.5	(4.17)
Evans & Owen	Mar.	5	(96)L	7.5	(—)	—	(—)
Guinness Peat	Apr.	15,670	(7,760)	13.7	(9.9)	7.0	(6.25)
Haynes Publshg.	May	670	(797)	11.1	(7.8)	7.0	(—)
H.M.E.	Mar.	31,260	(30,470)	10.4	(9.8)	8.0	(6.5)
Maynards	June	2,170	(1,360)	43.2	(25.9)	8.75	(7.5)
Melody Mills	Mar.	391	(826)	13.7	(17.8)	1.0	(3.0)
Sobranie	Feb.	186L	(21)L	—	(—)	1.85	(1.82)
Staffs. Potteries	June	312	(1,240)	5.5	(19.1)	1.13	(5.0)
Stewart Plastics	Apr.	2,270	(2,100)	10.6	(10.3)	2.74	(2.49)
Zetters	Mar.	1,540	(1,390)	10.5	(9.5)	2.5	(1.9)

Offers for sale, placings and introductions

Houston Oil—London listing.

ORE—Is placing 375,000 shares at 67p each under Stock Exchange rule 163 (2), to raise £203,000.

Pennzoil—London listing.

Sea Containers—London listing.

York Waterworks—Offer for sale by tender of £1.5m 9½ per cent Redeemable Preference Stock 1983 at a minimum price of £100.

Rights Issues

British Vita—Rights issue on the basis of one for four at 105p to raise £5.35m.†

† Approximate figure before expenses.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 14%, 1-month deposits 14¼%.

† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.

‡ Call deposits over £1,000 14%.

§ Demand deposits 14½%.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.320	9	5.50	22	12.50	1	14.50	F.321
AKZO C	F.20	30	2	—	—	—	—	F.21.70
AKZO C	F.22.50	—	—	10	1	—	—	"
AKZO C	F.25	—	—	—	—	10	0.80	"
HEIN C	F.55	—	—	3	3	6	4.20	F.54.20
HEIN P	F.56	—	—	1	2.90	2	4.50	"
HEIN P	F.60	—	—	—	—	5	8.70	"
HEIN P	F.65	5	11.50	—	—	—	—	"
HEN C	F.50	3	0.30	—	—	—	—	"
HEN P	F.48	5	0.40	—	—	—	—	"
KLM C	F.60	10	3.80	5	6	—	—	F.63.30
KLM C	F.70	1	0.60	7	1.70	—	—	"
KLM C	F.80	15	0.20	—	—	—	—	"
KLM P	F.60	—	—	9	3	—	—	"
KLM P	F.70	9	8	—	—	—	—	"
NATN C	F.110	5	6.30	10	8	—	—	F.115
NATN C	F.120	2	0.90	—	—	—	—	"
NATN P	F.110	1	0.50	—	—	—	—	"
NATN P	F.120	—	—	—	—	5	7.70	"
PHIL C	F.15	—	—	—	—	6	2.90	F.17.10
PHIL P	F.17.50	6	0.30	100	0.90	2	1.20	"
PHIL C	F.20	20	0.10	—	—	—	—	"
PHIL P	F.17.50	—	—	10	0.90	10	1	"
POLA C	$25	1	7	—	—	—	—	$31⅛
OLIE C	F.140	3	34.60A	—	—	—	—	F.174.60
OLIE C	F.145	5	29.50	—	—	—	—	"
OLIE C	F.150	62	24.60	17	24.60	—	—	"
OLIE C	F.160	464	14.60	89	14.70A	—	—	"
OLIE C	F.170	934	4.60	330	6.70B	458	8.60	"
OLIE C	F.180	399	0.80	92	2.40	95	4.40	"
OLIE P	F.150	85	0.20	20	1.30	—	—	"
OLIE P	F.160	101	1.10	47	2.60	—	—	"
OLIE P	F.170	100	4.70	104	5.90	200	6.60	"
OLIE P	F.180	94	11.50	10	15	3	14.50A	"
UNIL C	F.120	—	—	—	—	1	6.50	F.122.50
		Nov.		Feb.		May		
MANN C	DM.120	6	5	2	7.50	—	—	DM124
MANN C	DM.130	—	—	8	3	—	—	"
SLUM C	$120	3	27½	—	—	—	—	$146¼
SLUM C	$130	—	—	5	21	—	—	"
SLUM C	$140	13	10¾	—	—	—	—	"
VW C	DM.180	15	1.30	—	—	—	—	DM169
VW C	DM.190	15	0.50	—	—	—	—	"
TOTAL VOLUME IN CONTRACTS						4121		

C=Call P=Put

CORAL INDEX: Close 508-513 (+5)

BMK's plunge accelerates in second half—no dividend

A DEEPENING in the second half of the pre-tax loss seen at halfway, took the fulltime deficit for Blackwood, Morton and Sons (Holdings) carpet maker, to £1.23m for 1979-80. In the previous year there had been a recovery to a profit of £350,269.

Sales for the 12 months ended June 30, 1980, fell £4.1m to £21.38m and no dividend is to be paid.

"The deterioration was foreshadowed by the directors in February when they warned that a substantial loss for the period was likely. Mid-year the loss had been £479,337 (£227,118).

"The results were affected by severe competition, both at home and from overseas, in markets increasingly affected by economic recession.

"In the present economic situation and with increasing imports and over-capacity in the carpet industry, trading continues to be difficult.

"However, the savings effected and continuing modernisation of plant and machinery puts the company in a good position to take advantage of the upturn when it comes," the directors say.

At the trading level the decline was from £1.22m profit to a loss of £273,498 before overdraft interest costs, up at £553,820 (£458,787) and depreciation slightly lower at £401,259 (£414,452).

A tax credit of £99,624 (£183,095 charge) left the stated loss 25p share at 14.1p, compared with earnings of 2.1p. Last year a net dividend of 0.625p was paid.

The attributable loss was £1.49m (£831,357) after an extraordinary debit of £362,326 (£664,183 credit) arising from Liversedge factory closure costs, including redundancy payments of £148,405, and other redundancy payments amounting to £272,272 less a £58,351 surplus from sale of property.

Friedland slips back

TAXABLE profits of Friedland Doggart Group, manufacturer of domestic and industrial sound signalling equipment, injection and compression mouldings and plastic toys, slipped from £805,000 to £702,000 in the 24 weeks to June 15, 1980.

Home and overseas sales so far have been up to forecasts, say the directors, but the high value of the pound has reduced earnings in overseas markets, and the group has been unable to make good all the effects of UK inflation. In the circumstances they say they cannot comment on the future.

The interim dividend is raised from 1.75p to 1.85p net—last year a total of 4.45p was paid from profits of £1.48m.

Acrow in losses on CCA basis

ADJUSTED FOR the effects of inflation on a current cost basis, Acrow, the international engineering group, incurred a loss before tax of £1.85m for the year ended March 31, 1980, compared with historical profits of £2.02m.

The loss was after adjustments for additional depreciation of £915,000, cost of sales of £5.53m, partly offset by gearing of £2.58m.

Badly affected by strikes, pre-tax profits in 1979-80 slumped by 85 per cent compared with the previous year—as reported July 30. Mr. W. A. de Vigier, the chairman, foresees a poor first half this year but feels confident that the group will begin to return to a growth pattern in the second six months.

At the year end, shareholders' funds had increased from £50.81m to £64.2m, including a surplus of £13.22m on valuation of properties. Loan capital totalled £14.91m (£13.53m) and net short-term borrowings were up from £15.97m to £22.93m.

The auditors note in their report that the method of accounting for the group's interest in associated companies is not in accordance with SSAP 1.

Meeting, 8 South Wharf, W., September 30, 10 am.

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APPOINTMENTS

Promotions at Morgan Grenfell

MORGAN GRENFELL has made the following promotions: to director, Morgan Grenfell International — Mr. M. E. Hildesley; to senior assistant director, Morgan Grenfell & Co. —Mr. J. C. Newman, Mr. J. S. S. Syrett, Mr. J. S. Liddle and Mr. A. P. Lafont.

★

Mr. Lionel F. B. Vale has been appointed a vice president of the BANK OF NEW YORK with responsibility for the London branch.

★

The acquisition of Ladyline by HAWLEY LEISURE was completed on September 1. There will be no fundamental change in the operation of Ladyline which retains its name and separate identity. Mr. G. C. Perry, the founder and ex-chairman and managing director will remain with the company. The new Board will be as follows: Mr. Alan Laver; Mr. Peter Bain (chairman); Mr. Gerald Cooper (financial director); Mr. Robert Love (managing director); and Mr. Gerry Perry (consultant).

★

Mr. Donald E. Frankenfield, Mr. C. P. B. Hardcastle and Mr. B. M. Rose, have been appointed to the board of RESERVE ASSET MANAGERS.

★

Mr. C. F. Alsop has been appointed chief executive of HOWARD MACHINERY. He has been, for the past six years, chairman and chief executive of Fisher Controls (Valves) a subsidiary of Monsanto.

★

Mr. M. J. Horlor has been appointed engineering director responsible for the Smith and Robinson road tanker fleet of HARGREAVES TRANSPORT.

★

DEWHURST AND PARTNER GROUP has appointed Mr. Colin Johnson as group managing director from September 29. He takes over the duties of the present joint managing directors Mr. A. Dewhurst and Mr. A. J. Ward who are respectively appointed executive chairman and deputy chairman.

★

Mr. J. Steven Manolis, Mr. John W. Meriwether, Mr. Roger W. Miller and Mr. Harold Tanner will be admitted as general partners of SALOMON BROTHERS, New York. Mr. T. Anthony Brooks, Mr. Leo I. Higdon, Jr., and Mr. Daniel P. Kearney will become special partners of the firm. The appointments are from October 1.

★

Mr. Herbert N. McCauley, who has guided a major expansion of HARRIS CORPORATION'S internal computer-based management information and telecommunication system, has been promoted vice-president, management information systems. He was previously director of the department, one of the company's largest central-staff units, at Melbourne, Florida.

★

Sir Monty Finniston has been appointed chairman of the Building Economic Development Committee of the NATIONAL ECONOMIC DEVELOPMENT OFFICE.

★

Mr. Robin Morton and Mr. Peter Snook have been appointed directors of CHARLES BARKER CITY from October 1. Mr. Richard Hardwick and Ms. Julie Sharman have been made associate directors.

SPAIN

Sept. 12	Price %	+ or −
Banco Bilbao	237	
Banco Central	270	
Banco Exterior	212	
Banco Hispano	232	−2
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	270	
Banco Urquijo	142	−1
Banco Vizcaya	248	
Banco Zaragoza	226	
Dragados	112	+1
Espanola Zinc	71	+1
Fecsa	64	+0.50
Gal. Preciados	35	+2
Hidrola	69	
Iberduero	68.50	
Petroleos	130	
Petroliber	80	
Sogefisa	107	
Telefonica	63.20	−0.30
Union Elect.	70	+1

Companies and Markets

WORLD STOCK MARKETS

Wall St. eases on rate move

PRICES WERE easing slowly on Wall Street yesterday after three major banks raised their Prime Rates to 12½ per cent from 12 per cent.

By 1 pm the Dow Jones Industrial Average was off 3.33 to 937.97, for a net loss of 2.99 on the week, while the NYSE All Common Index, at $72.67, was up 3 cents on the day and 54 cents on the week. Trading volume expanded 2.86m shares to 35.20m, compared with 1 pm Thursday.

One analyst said "interest rates and inflation are the main problems overhanging the Stock Market and keeping Institutions from committing funds."

Inflation news had been bad recently including jumps in Wholesale and Precious Metal prices, reports Saudi Arabia will raise oil prices and a disappointing U.S. crop forecast.

Investors also were reluctant to be aggressive ahead of the Money Supply figures due after the close, and the OPEC Ministers' meeting beginning Monday in Vienna. Additionally, the Jewish holidays were keeping many traders out of the market.

Deere gained $⅝ to $38¾ in heavy trading—a block of 400,000 traded at $38¾.

Active Mattel lost $½ to $13¼—a block of 261,000 moved at $13⅜. National Semiconductor dropped $1⅝ to $36⅞ in turnover that included a trade of 200,000 shares at $36¼.

Crouse-Hinds climbed $3¾ to $40⅝—Internorth, off $⅛ to $32⅛, began a bid to acquire 6.7m Crouse shares, or 54.6 per cent, at $40 each. Belden declined $2¼ to $37, earlier this week Crouse announced plans to acquire Belden in an exchange of stock.

Volume leader Sony slipped $¼ to $14—it will report earnings Tuesday.

Sun Company gained $2¼ to $41⅞ and Seagram added $1⅜ at $61¾—Sun completed the acquisition of U.S. oil and gas properties of a Seagram subsidiary for $2.3bn.

Tektronix lost another $1⅛ to $60½ on its lower first quarter net earnings and orders and scheduled plant closings to offset slack demand.

Hecla Mining added $1¾ at $47 and Sunshine Mining $½ at $21¼ but ASA lost $1 to $79 and Homestake $1 to $97½.

Engelhard Minerals rose $⅞ to $57½.

Texaco shed $⅞ to $36¾—it revised lower its estimate of proved Louisiana natural gas reserves.

THE AMERICAN SE Market Value Index gained 0.46 to 340.45, making a rise of 9.09 on the week.

AZL Resources rose $⅞ to $17¾ after a late start and Federal Resources firmed $⅝ to $9¼.

Closing prices for North America were not available for this edition.

Canada

Markets were pulling back from morning levels but retained moderate gains in active noon trading yesterday, when the Toronto Composite Index, up 10 points earlier, was ahead 3.5 at 2,341.2.

The Metals and Minerals Index rose 12.7 to 2,471.5, Utilities 0.97 to 271.54, Banks 0.49 to 383.39 and Papers 0.34 to 210.88. But Golds lost 20.3 to 6,295.5 and Oils and Gas shed 12.9 to 4,775.4.

Petrofina Canada fell $5⅜ to $65—trading resumed following news that the company's parent rejected a bid for the Canadian unit.

Tokyo

Prices closed higher in fairly active trading with the market average rising 21.15 to a record 7,000.04 on volume of 440m shares.

Blue Chips and Populars as well as Big-Capitals led the Market, helped by active Foreign buying which more than offset increased profit-taking.

Some "high-priced" Electricals and Constructions closed mixed on late profit-taking.

Singapore

Stock prices climbed to a record high, with the Straits Times Industrial Index breaking through the previous high of 611.36 set on February 13, 1973, to close at 614.82.

Brokers said the Index's gains appeared solid, although based on rises in selective shares. But with turnover increasing from levels earlier in the week, technical analysts were guardedly optimistic the market would not slide back on profit-taking.

Malaysian issues included in the Index led the rise, reflecting the strong economy of that nation, backed by firm prices for Natural Rubber, increasing oil exports, increased output of Palm Oil which is offsetting softer prices for the Vegetable Oil, and a Property and Construction boom domestically.

Hong Kong

Mostly firmer after aq uiet day's trading with the market looking ahead to the mid-year Review of the Local Economy by the Financial Secretary. Turnover, however, was well down on the week's average so far.

Hongkong Aircraft shed 15 cents to $HK 8.95 after reporting lower interim profits.

Australia

A rally late in the morning session gave markets enough momentum to keep it well ahead dsepite some profit-taking during the afternoon.

Nervousness among traders became apparent early in the morning session following Thursday night's announcement that the Federal election will be held on October 18, just five weeks away.

But stronger Gold, Silver and Base Metal prices in New York, good profit reports from a number of companies and the general assumption that the Liberal Government would be returned to office, gave markets a boost.

News Australia and France had signed a Draft Uranium Supply Agreement had little impact on Uraniums.

Gold Mines were strong, with speculative issues, Kitchener, North West Mining and Golden Plateau all making headway.

Peko Wallsend rose 15 cents to A$10.35 on reports that apear to be a major gold find in the Northern Territory.

Of the leaders, Emperor and Poseidon were the best performers.

Oil Shales commanded some attention, with the Rundle twins outstanding. Central Pacific jumped A$7 to A$72 in the one trade that took place, while Southern Pacific hit a record high of A$28.50 before settling at A$28, for a net gain of A$1.50.

BMI jumped 20 cents to A$2.05 on a jump in profits.

Switzerland

Steady in average volume, with some Banks and Financials actively higher.

Insurances and Industrials were little changed, as were unofficially quoted Hoffmann-La Roche.

Domestic Bonds were steady in thin volume, with more active Foreign Bonds mixed.

Actively higher Amgold featured Foreign shares where U.S. stocks were mixed. Gemtans were also mixed.

Germany

Leading share prices closed mostly narrowly mixed.

Chemicals showed scant movement, Stores mostly steady, Industrials were little changed.

In Options trading activity centred on Alcan and VW Puts and Calls for VW, BASF, Philips, Chrysler, Mannesmann, Thyssen and Neckermann.

On the Domestic Bond Market Public Authority Loans eased DM 0.45 and the Bundesbank bought DM 18.9m worth of stock.

Mark Eurobonds were mixed.

Johannesburg

Gold shares closed very firm at the higher levels in active trading as the gold price held steady above $690.

Indices

NEW YORK — DOW JONES

	Sept. 11	Sept 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	941.30	938.48	934.73	928.58	940.36	946.81	966.72 (16/8)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H me B'nds	69.32	69.48	69.51	69.24	69.50	69.40	76.61 (23/6)	65.87 (28/3)	—	—
Transport	321.21	328.66	320.77	321.06	325.43	327.78	329.16 (3/9)	233.69 (27/3)	329.15 (3/9/80)	12.23 (8/7/32)
Utilities	112.42	112.58	111.76	111.72	112.78	112.96	115.88 (8/7)	96.04 (27/3)	165.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	44,770	51,430	44,480	42,050	38,150	53,480	—	—	—	—

●Day's high 947.78 low 934.39

Ind. div. yield %	Sept. 5	Aug. 29	Aug. 22	Year ago (approx
	5.72	5.75	5.59	5.67

STANDARD AND POORS

	Sept. 11	Sept 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4	1980 High	1980 Low	Since Cmpil't' High	Since Cmpil't' Low
‡Indust'ls	142.71	141.64	140.78	139.88	141.71	144.99	144.99 (4/9)	111.09 (27/7)	144.99 (4/9/80)	3.52 (30/6/32
§Composite	125.66	124.81	124.07	125.51	124.88	127.70	127.70 (4/9)	98.22 (15.2)	127.70 (4/9/80)	4.40 (1 6/37)

	Sept. 10	Sept. 3	Aug. 27	Year ago (approx)
Ind. div. yield %	4.69	4.64	4.73	5.05
Ind. P/E Ratio	8.62	8.51	8.34	12.93
Long Gov. Bond Yield	11.03	11.02	11.32	9.11

N.Y.S.E. ALL COMMON

Sept. 11	Sept. 10	Sept. 9	Sept. 8	1980 High	1980 Low
72.64	72.12	71.64	71.27	73.29 (4/9)	55.30 (27/3)

Rises and Falls	Sept. 11	Sept. 10	Sept. 9
Issues Traded	1,871	1,894	1,914
Rises	987	1,038	799
Falls	517	513	716
Unchanged	367	346	399
New Highs	158	137	62
New Lows	0	4	6

MONTREAL

	Sept. 11	Sept. 10	Sept. 9	Sept. 8	1980 High	1980 Low
Industrial	398.23	394.09	385.78	384.58	425.80 (29/2)	328.21 (27/3)
Combined	370.28	367.40	361.85	361.41	378.90 (29/2)	286.90 (27/3)
TORONTO Composite	2337.7	2321.3	2288.8	2282.9	2337.7 (11/9)	1782.5 (27/3)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Sony	1,863,600	14⅛	+ ⅞
Coca Cola	786,400	32⅝	−1½
Sears Roebuck	773,200	17½	− ⅛
Mattel	676,200	14	− ⅛
Colgate - Palm	612,900	17¼	+ ⅜
Chrysler	522,100	9⅞	+ ⅛
IBM	425,600	66⅝	+ ⅛
Ralston Purina	397,700	12	+ ⅛
A. Home Prds.	394,800	30	− ½
Fedders	389,000	5½	+1

	Sept. 12	Sept. 11	Sept. 10	Sept. 9	1980 High	1980 Low
AUSTRALIA Sydney All Ord. (1956/59)	975.44	984.95	968.15	983.27	979.54 (26/8)	790.09 (2/1)
Metal & Minrls. (1956/59)	6375.51	6286.47	6165.96	6217.57	6660.95 (14/2)	4581.26 (28/3)
AUSTRIA Credit Aktien (2/1/62)	66.75	67.10	67.29	67.01	69.40 (7/1)	65.59 (19/8)
BELGIUM Belgian SE (31/12/63)	91.50	91.40	91.67	91.45	105.75 (11/2)	90.14 (31/3)
DENMARK Copenhagen SE (1/1/73)	88.01	86.96	86.65	86.85	88.01 (12/9)	74.78 (5/3)
FRANCE CAC General (29/12/61)	112.9	112.2	111.5	111.2	117.8 (22/2)	97.1 (3/1)
Ind Tendance (28/12/79)	119.2	118.6	117.2	117.0	119.2 (12/9)	95.6 (5/1)
GERMANY FAZ-Aktien (31/12/58)	229.52	229.18	230.12	230.05	238.69 (25/2)	212.75 (28/3)
Commerzbank (Dec.1953	716.20	718.5	721.5	721.6	748.2 (25/2)	667.0 (27/3)
HOLLAND ANP-CBS General (1970)	84.9	84.6	84.5	84.6	88.0 (25/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	65.5	65.4	65.6	65.8	68.2 (11/1)	58.2 (28/3)
HONG KONG Hang Seng Bank (31/7/64)	1220.36	1212.37	1211.15	1169.72	1259.95 (1/8)	768.9 (19/3)
ITALY Banca Comm. Ital (1972)	151.50	129.89	129.26	129.25	151.50 (12/9)	85.11 (2/1)
JAPAN Dow Average (16/5/49)	7000.04	6978.89	6956.21	6957.98	7000.04 (12/9)	6475.93 (27/3)
Tokyo New SE (4/1/68)	485.34	482.50	481.07	478.95	485.34 (12/9)	449.01 (10/3)
NORWAY Oslo SE (1/1/72)	121.20	120.50	120.38	120.07	144.70 (14/2)	110.12 (28/3)
SINGAPORE Straits Times (1966)	614.82	607.61	601.12	594.94	614.82 (12/9)	429.75 (5/1)
SOUTH AFRICA Gold (1958)	—	953.6	945.6	951.6	951.0 (9/9)	649.5 (2/7)
Industrial (1958)	—	626.6	625.8	626.4	627.1 (8/9)	456.0 (2/1)
SPAIN Madrid SE (28/12/79)	109.79	109.93	110.21	(c)	110.21 (10/9)	96.79 (13/6)
SWEDEN Jacobson & P. (1/1/58)	355.60	353.57	354.45	358.33	398.98 (8/2)	334.72 (17/1)
SWITZERLAND Swiss BankCpn.(31/12/58)	311.80	311.7	311.2	311.1	317.9 (11/2)	276.0 (28/3)
WORLD Capital Intl. (1/1/70)	152.9	—	152.2	151.6	162.9 (12/8)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

هكذا من الأصل

Details of Machines Bull deal finalised

By David White in Paris

FINAL DETAILS have been drawn up for the planned reorganisation of shareholdings in the French computer industry, which was agreed three months ago.

After a complex transfer of holdings, which began when the CGE electrical group, one of the founders of the Franco-U.S. joint venture Cii Honeywell Bull, pulled out after a disagreement with the Government last year, the key stake in the company will be held by Saint-Gobain-Pont-a-Mousson.

St. Gobain will have 51 per cent of Compagnie des Machines Bull, which represents the French majority interest in the computer company. Honeywell Information Systems keeps its 47 per cent stake in Cii Honeywell Bull.

The deal includes the transfer of St. Gobain's 23.3 per cent interest in the Italian Olivetti group, acquired earlier this year, to Compagnie des Machines Bull.

The final arrangements, due to be approved by Machines Bull shareholders at the end of next month, involve increasing the holding company's capital from FFr 590m to FFr 1.2bn. ($291m).

The 20.5m new FFr 30 shares are reserved for shareholders of Cadamas, a subsidiary of St. Gobain which holds the group's Olivetti shares and convertible bonds. Cadamas itself, whose other interests are a 9.7 per cent stake in the Suez financial group and an indirect 4.9 per cent stake in St. Gobain itself, will be absorbed by Machines Bull.

As a result SGPM increases its share in Machines Bull from 20 per cent to 51. The State's stake goes down from 20 per cent to 9.8 per cent.

Peugeot and Piaggio to co-operate on motorcycles

BY TERRY DODSWORTH IN PARIS

CYCLES PEUGEOT, the bicycle and moped subsidiary of the Peugeot vehicle group, has signed a co-operation agreement with Piaggio of Italy aimed at establishing a common front against Japanese imports.

The two companies are to present their first jointly-designed product, a 125cc motorcycle, at the Paris motor show next month. The motor cycle, to be called the Peugeot-Gilera, will use a Peugeot frame and an engine made by Piaggio's Gilera subsidiary.

Under the agreement, the two groups are to co-operate only in the motorcycle sector, defined as two wheelers, using engines of more than 80cc. While Piaggio has a limited presence in this market with its 80cc and 125cc Gilera models, Peugeot concentrates at present almost exclusively on mopeds and bicycles.

No financial links have as yet been established between the two companies. In the medium term, however, they have decided effectively to pool their mechanical component facilities by making parts available to each other for use in new models.

In the longer term, the two concerns are aiming to design and manufacture new engines and mechanical parts on a common basis with a view to "the development and modernisation of the two ranges."

Peugeot last year made 732,000 bicycles and 408,000 mopeds, about 60,000 more of the latter than its nearest French rival, Motobecane-Velosolex. In addition to the Gilera bicycles, Piaggio makes the Vespa scooters and distributes Bianchi bicycles. In a market dominated by Japanese companies and BMW luxury range of West German motorcycles, the two groups have made it clear that they need to co-operate in order to establish a stronger European presence.

Spanish appliance link proposed

BY ROBERT GRAHAM IN MADRID

SIX SPANISH appliance producers have decided in principle to form a joint holding company to rationalise production and face up to the consequences of eventual Spanish membership of the EEC.

The move follows mounting cash flow problems prompted by sharply increased overheads and a large drop in domestic sales. The companies concerned are all small to medium-sized producers—Bru, Carsa-Kelvinator, Corbero, DOMAR, Mepamsa and Solthermic.

Two of these companies, Bru and Kelvinator, have either applied for or have already been granted temporary receivership.

The broad aim of the agreement is to parcel out specific production lines among the individual companies, and adopt a common marketing strategy for all the products.

Until now, these companies have had widely diversified product lines and in some cases small runs of a wide range of items. Under the new proposals, for instance, DOMAR will concentrate on large-scale production of washing machines, Corbero on heaters and cookers and Kelvinator on refrigerators.

An audit of all six companies is expected to be made soon to assess their assets. On the basis of this the new capital requirement will be known. But it is thought that some 67 per cent of the capital required for the new company will come from existing assets.

The companies themselves will have to inject some Pta 3bn ($42m) for new capital and investment requirements, while double this amount will be needed to cover the cost of rationalisation.

H. C. Sleigh advances to record profit

By James Forth in Sydney

H. C. SLEIGH, the petroleum, coal and timber group, raised its earnings 37 per cent from A$10.43m to a record A$14.3m ($US16.7m) in the year to June. The profit increase failed to keep pace with group sales, which rose 43 per cent from A$420m to A$603m (US$705m).

Pre-tax earnings doubled, from A$13.7m to A$26.3m, but in 1978-79 Sleigh paid tax of only A$3.3m.

The directors said that all group operations showed pleasingly improved results, despite continued, unsettled conditions in the petroleum industry. This was with the exception of the meat activity in Victoria.

Japanese stores concern hit by poor weather

BY YOKO SHIBATA IN TOKYO

MARUI, Japan's largest instalment sales company, suffered a slight setback in earnings for the first six months to July 31, partly because of unfavourable summer weather and partly because of a rising cost burden resulting from the opening of new stores.

Marui's operating profits dropped slightly by 1.6 per cent to Y9.09bn ($41.3m). Net profits fell by 5.9 per cent to Y4.35bn while sales rose 10.5 per cent to Y106.91bn ($486m).

The company's sales were held back by the relatively low level of consumers' real income, public utility price increases and the summer weather. Marui followed a policy of active store openings, strengthened its existing stores and widened its sales range.

For the current fiscal half year, ending January 31, the company faces constraint on consumer spending resulting from price increases.

Allowing for the effects of the newly opened Yokohama, Machida and Fujisawa stores and a sales campign commemorating the company's 50th anniversary, Marui expects full-year sales to increase by 9.7 per cent to Y237bn. Operating profits are expected to show a rise of 2 per cent to Y16.25bn.

Paris Bourse to rationalise quotations

By Our Paris Staff

THE PARIS Bourse is aiming to rationalise its share quotation methods by suppressing the system under which some leading shares are quoted on both the forward (terme) and spot (comptant) markets.

According to proposals which the stock market authorities hope to introduce early next year, companies will only be quoted in one of the two sections. For almost all of the most important French groups this means that their quotation will be limited to the forward market, to be re-named "the end of month settlement market."

The forward market in France has been developed to cope with large parcels of shares valued on average at about FFr 10,000 ($2,400) a deal. If investors want to buy smaller amounts of a particular share they have to deal in the spot market, where prices can vary by up to 2 per cent on the forward rate to the disadvantage of buyer.

Under the new system there will be only one price quotation for all the shares offered in the forward market. The authorities argue that this will reduce confusion in investors' minds and help to rationalise activities in preparation for more radical streamlining proposals which are expected for the Bourse in the near future.

To supplement this reorganisation, about 50 of the more important stocks in the 500 strong spot section will be moved to the forward market to bring it to a strength of about 300 quotations. At the same time the ceiling for buying in the forward market will be lowered to around FFr 4,000 to help smaller investors.

Investors, however, will still have the opportunity to buy smaller quantities of the shares quoted in the forward section. These deals will in fact be settled immediately, under the normal terms of the spot market, with brokers charging a 0.6 per cent commission, on the transaction to cover their costs.

The Bourse authorities also announced yesterday that they were hoping to establish an options market once the new end of month settlement system has been established. This additional market is likely to be limited to about 10 shares on an experimental basis in the first stages.

PetroCanada likely suitor for Petrofina offshoot

BY ROBERT GIBBENS IN MONTREAL

PETROCANADA, the national oil company, is believed by oil industry analysts to be the most likely suitor for Petrofina Canada, the Montreal-based integrated oil company whose shares have been active this week.

An offer for the shares has been made through a stockbroker to Petrofina SA in Brussels, which owns 71 per cent of Petrofina Canada.

The broker said he had a mandate on behalf of an undisclosed client to make an offer to purchase the outstanding common shares of Petrofina Canada if Petrofina SA was interested in disposing of its holdings.

Mr. Demeure de Lespaul, chairman and chief executive of Petrofina SA, said he intended to reply to the broker that Petrofina SA wished to retain its investment in Petrofina Canada.

Petrofina SA moved into Canada more than 25 years ago in co-operation with Montreal interests and built up a marketing network to support a medium-sized refinery in Montreal. Later, the company extended into Ontario, and began to build up production and reserves in western Canada. About the same time, the Belgian parent was also building up American Petrofina.

Petrofina Canada since has expanded into certain very profitable petrochemical products, improved its management and performance, has been building up reserves and production in the west of Canada and has bought a 5 per cent stake in Syncrude, the second Alberta tar sands recovery operation. Petrofina Canada shares have been active several times this year on speculation of a possible bid. Each time PetroCanada has figured in the takeover rumours.

SGI in talks on sale of holding in hotel group

BY RUPERT CORNWELL IN ROME

NEGOTIATIONS ARE at an advanced stage for Societa Generale Immobiliare (SGI), the Rome-based construction and property group, to sell its controlling stake in CIGA, the luxury hotel group, to Swiss interests.

The potential buyer, the Europrogramme / Interprogramme group is essentially a property-based mutual fund. A spokesman said yesterday that discussions were in progress but that nothing so far had been signed.

This last is an important provision. Last year, CIGA was at the centre of a bizarre episode when SGI announced that it had reached agreement to sell its 42 per cent stake in the hotel chain to Dunfey Hotels, a subsidiary of Aer Lingus, only for the deal to fall through amid mutual recrimination.

The latest developments have spurred a strong market for shares in CIGA, whose interests include establishments such as the Gritti Palace and Danieli hotels in Venice. The stock closed last night at L4,810 ($5.60) on the Milan bourse, against L4,179 only two days before.

The former figure is only slightly below the L5,000 per-share price which market analysts believe the Swiss group is offering to pay for CIGA. This would provide a cash injection of L45bn ($53m) for SGI, well below the L61bn it was believed to have been close to securing from Dunfey in 1979's abortive discussions.

The appeal of the would-be arrangement with Europrogramme, however, is that payment would be in immediate cash, while Dunfey would have staggered its own settlement over a longer period.

Firestone may sell plastics division

By Ian Hargreaves in New York

FIRESTONE TIRE and Rubber, the large U.S. tyre maker which has tumbled into heavy losses in the last year, is negotiating the possible sale of its profitable plastics division.

The Akron, Ohio based company confirmed this yesterday, but would not give details beyond saying that the talks involved "a major chemical company" which had been one of several companies to approach Firestone about a possible purchase.

The plastics division, which has five plants around the U.S. makes PVC resins, with a capacity of 600m lbs per year, and vinyl film and sheeting.

It has 1,100 employees and is part of Firestone's chemicals division which in 1979 contributed 13 per cent of Firestone's total sales of $5.3bn and 23 per cent of operating profits.

Firestone has posted losses of $98m so far this year as it has moved to shut down its biggest cost plants making the cross-ply tyres which have so decreased in popularity in the U.S.

A decision to sell a profitable division such as plastics, however, into which the company has put substantial capital in recent years, would be surprising in that it would be a departure from standard U.S. tyre industry trends towards diversification.

Lauritzen sees little change

By Hilary Barnes in Copenhagen

THE J. LAURITZEN shipping and industrial group expects trading profits in 1980 to be about the same as last year.

In a half-year statement the group said that its shipping companies would show improved returns, but its shipyards and other industrial companies would have a negative effect on the result.

Group turnover last year was DKr 4.3bn ($781.8m) and pretax profits were DKr 154m ($28m) compared with DKr 284m in 1978.

COMMODITIES/REVIEW OF THE WEEK

Demand brings sugar upsurge

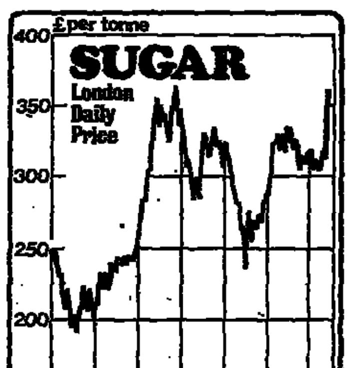
WORLD SUGAR prices moved up strongly this week encouraged by signs of renewed buying interest. The London daily sugar price rose £47 to £360 a tonne yesterday bringing the rise on the week to £53. On the London futures market meanwhile the January position gained £56 on the week to £390.5 a tonne, its highest level since early July.

Dealers said the rise was mainly due to reports of buying interest from Venezuela, China and Poland. Between them these three countries were rumoured to be looking for sugar imports totalling up to 240,000 tonnes.

Another "bullish" factor quoted by some dealers was a warning by sugar statistician F. O. Licht that a Soviet decision to delay sugar beet harvesting because of unsatisfactory beet weights could expose the crop to frost risks.

Signs that the EEC crop could be higher than previously anticipated made little impression on the market. In its latest market report London merchant C. Czarnikow said it expected the 1980-81 EEC exportable surplus to be 3.17m tonnes.

Coffee prices moved higher early on but fell away sharply towards the end of the week. Following an aggregate fall of £93 on Thursday and Friday the November position on the London coffee futures market ended the week only £4.5 up at £1.109 a tonne.



The early rise was in response to signs of increased consumer buying interest but this was not followed through.

The cocoa market had a relatively quiet week with the December futures position ending £55.5 up at £1,032 a tonne. of the continuing strike

There was a general rise in metals this week, led by sharp increases in the price of gold and silver. The renewed buying interest in precious metals was mainly attributed to fears of inflation being fuelled by higher oil prices. The London bullion spot quotation for silver yesterday was 896.5p a troy ounce at the morning fixing, 191.95p up on a week ago. Free market platinum gained £17.95 to £299.1 a troy ounce, while gold rose $36 to $687.5 an ounce.

The surge in precious metals encouraged a firmer tone in base metals too. Copper cash wirebars closed nast night £36 up on the week at £877 a tonne. Aiding the upward trend was a further rise in U.S. domestic copper selling prices and the announcement by Phelps Dodge that it was cutting its October deliveries by 70 per cent because

Kennecott, the biggest U.S. producer, has now completed a settlement of the 10-week old strike with its workers. But slow progress is being made in negotiations between the unions and other companies. Although the Kennecott settlement has provided a formula for agreement there are many local issues, individual to each company, yet to be negotiated and it is thought an industry-wide return to work may take some time to materialise.

Meanwhile another rise in LME warehouse stocks of copper is forecast and this availability of supplies is a restraining influence on the market.

Big rises in warehouse stocks of tin, however, has not prevented a further increase in market values as a result of further buying interest. Cash tin gained 182.5 this week to close at £7,285 a tonne.

Lead prices also moved sharply up yesterday, despite predictions of another hefty increase in warehouse stocks, which dealers claimed had already been discounted. But aluminium was held back by forecasts of a big stocks rise.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1710/1740	+10	$1,575/1590	$2160/2200	$1635/55
Antimony					
Free Market 99.6%	$3,225/3275	−25	$3,050/3,100	$3,435	$3200/3300
Copper Cash Wire Bars	£877	+36	£903	£1,372	£816.5
3 months Do. Do	£904.5	+43	£900.75	£1,376.5	£834.75
Cash Cathodes	£849	+38	£871.5	£1,316	£785.5
3 months Do	£877	+42	£878.5	£1,343.5	£810.5
Gold per oz.	$687.5	+36	$334.875	$835	$473
Lead cash §	£381	+22	£519.5	£579	£299.5
3 months §	£395.5	+22.5	£524.5	£471.5	£308.75
Nickel	£3,205	—	£2,959	£3,477	£3,186.43
Free Market c.i.f. lb.	290/315c	—	255/285c	315/345	265/295c
Platinum per oz	£202	—	£172.5	£202	£182.50
Free Market per oz.	£299.10	+17.95	£197	£466.6	£230
Quicksilver (76lbs.)	$405/415	—	$300/310	$410/420	$370/380
Silver per oz.	896.50p	+191.85	596.30p	2,166.85p	467.80p
3 months per oz	931.40p	+198.95	612.30p	2,185.05p	483.3p
Tin cash	£7,285	+182.5	£6,917.5	£8,350	£7,040
3 months	£7,362.5	+225	£6,916.5	£8,385	£7,102.5
Tungsten Ind	$144.87	—	$139.98	$144.87	$137.75
Wolfram (22.04 lb)	$151/154	—	$143/148	$151/154	$129.50/134
Zinc cash	£330.5	+5.25	£330	£400	£282
3 months	£344.375	+7.875	£340.5	£415	£292.25
Producers	$780	—	$780	$895	$780
GRAINS					
Barley					
Home Futures	£93.10	−0.35	£93.20	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer)	£122.5	—	£110	£122.5	£116
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£96.75	—	£102.40	£105	£91.0
Eng. Milling (new crop)	‡	—	£95.0	‡	‡
SPICES					
Cloves (g)	£3 750s	—	£3,770	£4,175	£3,750
Pepper, white	$2,250s	−100	$2,875	$2.825	$2,150
" black	$1,650s	−50	$1,975	$2,025	$1,575
OILS					
Coconut (Philippines)	$595x	−10	$955	$985	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£387	−10	£430	£464	£358
Palm Malayan	$542.5x	−2.5	$642.5	$725	$505
SEEDS					
Copra (Philippines)	$400y	—	$625	610	$360
Soyabeans (U.S.)	$342t	+8	$304.85	$350	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,093	+59	£1,532	£1,546	£1,023
Cocoa Futures Dec	£1,032.5	+55.5	£1,541.5	£1,513.5	£958.5
Coffee Futures Nov	£1,109	+5.5	£1,901	£1,784.5	£1071.5
Cotton Index	101.10c	+1.8	77.25c	103.8c	83c
Des. Coconut	£640	−60	‡	£740	£640
Jute LJ ABW C grade	£201x	+3	£230	£226	£187
Rubber kilo	64p	—	61.0p	90p	55.50p
Sago Pearl	£205s	—	£202	£216	£204
Sisal No. 3 L	$885	—	$885	$885	$840
Sugar (Raw)	£360	+58	£117	£362	£164
Tapioca No. 1	£218s	—	£195	£221	£202
Tea (quality) kilo	132p	−3	130p	150p	132p
" (plain) kilo	68p	+4	62p	73p	56p
Wooltops 64s Warp	288p kilo	+1	270p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Nov. (s) Sept./Oct. (t) Oct. (y) Nov./Dec. (y) Nov./Dec.

MARKET REPORTS

COPPER—Gained ground on the London Metal Exchange. Forward metal opened higher at £902 and moved up to £908 in early-pre-market trading reflecting the strength of precious metals. This level attracted trade selling, however, and three months fell back to around £904. In the morning rings fresh buying developed and pushed the price ahead to £910, with large volumes traded just below this level. In the afternoon a lower than expected opening in New York prompted a minor shake-out with three months falling away to £896 before a late recovery to £904 on the kerb. Turnover: 20,500 tonnes.

BASE METALS

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	880-1	+14½	876-8	+7.5
3 months	907-.5-8	+19.5	904-5	+11.5
Settlem't	881	+15	—	
Cathodes				
Cash	851-3	+14.5	848-50	+4
3 months	877-9	+15.5	876-8	+8.5
Settlem't	853	+15	—	......
U.S. Prod		......	*95-100	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £906, 7, 8, 9, 8.5, 9, 10, 09, 8.5, 9, 9.5, 9, 8, 7.5. Cathodes, three months £880. Kerb: Wirebars, three months £906, 7, 6, 5, 6, 7. Afternoon: Wirebars, cash £870, three months £898, 97, 98, 99, 98.5, 99, 903, 4, 5, 4, 4.5. Kerb: Wirebars, three months £906, 8, 9, 8, 7, 6, 4, 5, 4.5.

TIN—Edged higher. After opening at £7,365 and moving ahead to £7,390 in early trading reflecting the strength of other metal markets forward metal fell away to £7,340 in the rings following hedge selling and profit-taking. In the afternoon the market moved narrowly prior to closing the late kerb at £7,350. Turnover: 1,070 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7270-80	......	7280-90	+7.5
3 months	7350-60	+22.5	7350-5	+15
Settlem't	7280		—	
Standard				
Cash	7270-80	......	7280-90	+7.5
3 months	7350-60	+22.5	7360-5	+15
Settlem't	7280		—	......
Straits, E.	‡52222	−15	—	......
New York	—		—	......

Morning: Standard, cash £7,270, three months £7,370, 60. Kerb: Standard, three months £7,340. Afternoon: Standard, three months £7,350, 60, 70, 65.

LEAD—Sharply higher despite forecasts of a substantial increase in warehouse stocks. Forward metal opened at £382 moved up to £388 in the mornings reflecting the general rise in other metals. On the morning kerb heavy stop-loss buying was reported and forward metal advanced to £398. The downturn in copper in the afternoon encouraged small selling of lead and depressed three months to £3.92 at one point but a late rally prompted a close of £395 on the kerb. Turnover: 15,475 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	371-2	+9	380-2	+17.5
3 months	388-.5	+10	395-6	+15½
S'ment	372	+9	—	......
U.S. Spot			*42-44	......

Morning: Cash £374, 72, three months £387, 87.5, 88, 87, 88, 89, 88.5. Kerb: Three months £388.5, 89, 90, 93, 95, 94, 95, 96, 97, 98. Afternoon: Cash £382, three months £392, 93, 94, 93.5, 94, 94.5, 95. Kerb: Three months £395, 94, 93, 95.

ZINC—Marginally firmer in line with other metals. Forward metal edged up to £345 in the morning rings but thereafter eased on profit-taking to end the late kerb at £343.5. Turnover: 12,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330-.5	+5.5	330-1	+6
3 months	343.5-4	+6.5	344.25-4.5	+6.12
S'ment	330.5	+8.75	—	......
Primw'ts	—	......	*36.5-37.25	......

Morning: Three months £343.5, 44. Kerb: Three months £343.5, 44, 45. Afternoon: Three months £342, 43, 42, 44, 43, 44, 44.5. Kerb: Three months £344, 43.5, 44.

ALUMINIUM—Barely changed with forward metal dipping to £698 in the morning before recovering to close the late kerb at £707. Forecasts of a sizeable increase in warehouse stocks had been widely discounted and had little effect on the market. Turnover: 3,897 tonnes.

Alumin'm	a.m. Official	† + or —	p.m. Unoffici'l	† + or —
	£	£	£	£
Spot	696-9	−3	697-701	−3
3 months	704-5	+3	706-7	+1

Morning: Three months £703, 4. Afternoon: Three months £704, 5, 6, 7, 6. Kerb: Three months £707.

NICKEL—Steady with forward metal trading in a narrow range before closing the day at £2,825. Turnover: 108 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2805-12	+12.5	2790-5	−5
3 months	2825-30	+5	2815-20	−10

Morning: Three months £2,830. Afternoon: Three months £2,825, 15, 20.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed at its highest level since March in the London bullion market yesterday at 896.50p, a rise of 92p from Thursday's fixing. U.S. equivalents of the fixing levels were: spot $21.65, up $2.23; three-month $22.3, up $2.276; six-month $22.907, up $2.248, and 12-month $24.18, up $2.344. The metal opened at 861p-882p ($20.8-$21.30) and closed at 870p-891p ($21-$21.5), after touching a high of $22.3-$22.8.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	896.50p	+92	891.5p	+84.5
3 months	931.40p	+95.9	927p	+96.5
6 months	961.40p	+95.9	—	......
12 months	1017.90p	+97.8	—	......

LME—Turnover 176 (276) lots of 10,000 ozs. Morning: three months 945, 40, 41, 40, 37, 35, 38, 33, 35, 32, 32, 31. Kerb: three months 933, 30. Afternoon: three months 905, 6, 7, 8, 2, 5, 7, 18, 15, 18, 23, 25, 26. Kerb: three months 928, 26, 25, 23, 20, 22, 21, 20, 22.

COCOA

Combined commission house and trade support for cocoa futures caused prices to gain £35 across the board. While producers withdrew as sellers of beans and products, arbitrage buyers and further short-covering easily absorbed the intermittent periods of profit-taking, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Sep	1000-1001	+34.5	1000-980
Dec	1032-33	+35.0	1035-03
March	1068-70	+32.0	1070-45
May	1088-90	+33.5	1091-68
July	1108-12	+37.0	1108-1089
Sept	1128-30	+36.0	1130-12
Dec	1148-54	+38.5	—

Sales: 4,655 (1,931) lots of 10 tonnes.

COFFEE

Early commission house selling prompted further weakness in robustas and losses of £40 were registered during the opening call, reports Drexel Burnham Lambert. A general lack of fresh fundamental factors and physical activity influenced continued long liquidation in the afternoon although volume remained only moderate in mixed dealings.

ICO Indicator prices for September 11: (U.S. cents per pound). Other Mild Arabicas 127.00 (132.50); Robustas ICA 1976 130.50 (131.50); ICA 1968 130.75 (131.75); Unwashed Arabicas 212.00 (214.00). Comp. daily ICA 1968 166.42 (169.67).

COFFEE	yesterday's Close £ per tonne	+ or —	Business Done
Sept	1075-77	−46.0	1090-72
Nov	1108-10	−54.5	1133-00
January	1126-30	−54.5	1161-27
March	1130-35	−59.0	1170-28
May	1151-52	−56.0	1187-52
July	1160-65	−65.5	1200-1168
Sept	1190-94	−38.0	1199

Sales: 4,438 (4,507) lots of 5 tonnes.

GRAINS

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	96.20	−0.20	90.00	−0.15
Nov	99.30	−0.40	93.10	−0.45
Jan.	103.65	−0.40	97.30	−0.40
Mar.	107.40	−0.45	100.95	−0.40
May	110.95	−0.55	104.55	−0.45
July	114.45	−0.55	—	—

Business done—Wheat: Sept. 96.20-96.15, Nov. 99.50-99.25, Jan. 103.95-103.75, March 107.60-107.35, May 111.30-111.20, July 114.70-114.70. Sales 90 lots of 100 tonnes. Barley: Sept. 90.20-89.95, Nov. 93.55-93.10, Jan. 97.70-97.20, March 101.15-100.95, May 104.90-104.60. Sales 430 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 98.00, N. East 95.90, Scotland 98.10. Feed barley: Eastern 88.60, E. Midlands 85.30, N East 85.70, Scotland 86.00.

RUBBER

The London physical market opened steadier, with fair interest throughout the day, closing on an easier note. Lewis and Peat reported an fob October price for No. 1 RSS in Kuala Lumpur of 313 fob (311.5) cents a kilo and SMR 20 at 274 fob (273).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Oct.	65.10-65.70	64.60-65.00	—
Nov.	65.70-66.20	65.40-65.80	—
Oct-Dec	65.90-66.20	65.50-65.70	66.70-65.80
Jan-Mar	69.90-70.00	69.20-69.40	70.80-69.50
Apr-Jne	73.50-73.40	72.69-72.70	74.10-72.68
Jly-Sept	76.50-76.40	75.58-75.78	77.00-75.78
Oct-Dec	78.80-78.90	78.00-78.20	79.88-78.80
Jan-Mar	81.40-81.60	80.80-80.70	81.40
Apl-Jne	84.10-84.60	85.20-85.50	84.20

Sales: 463 (346) at 15 tonnes; none at 5 tonnes.

Physical closing prices (buyer) were: Spot 64.00p (same); Oct. 65.25p (65.00p): Nov. 66.25p (66.00p).

SOYABEAN MEAL

The London market opened around £1.00 down and drifted further on liquidation, reports T. G. Roddick. Prices rallied £2.00-£3.00 during the afternoon on active trade and commission house buying but closed off the highs with gains of £2.00 on the day.

	Yest'rday Close £ per tonne	+ or —	Business Done
October	127.50-27.9	+1.30	128.00-24.50
December	132.50-32.5	+2.00	133.50-28.80
February	134.50-34.6	+1.95	135.50-30.80
April	135.00-35.6	+1.30	133.10-35.00
June	134.00-38.0	+0.75	—
August	134.00-39.0	+0.25	—
October	135.00-40.0	−0.25	—

Sales: 358 (112) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £360.00 (£313.00) a tonne cif for Sept.-Oct. shipments. White sugar daily price was £345.00 (£311.00).

Prompt October opened some £20 above overnight levels following rumours of substantial purchases by the USSR. On the reopening March touched £401 before slipping some £9 under heavy profit-taking. Later, however, prices recovered again before easing on the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	375.00-76.00	348.00-49.90	380.00-60.00
Jan	390.90-97.00	383.00-88.00	398.00-84.90
Mch	394.60-94.75	376.25-76.50	402.50-377.6
May	390.00-91.00	372.05-72.50	398.00-73.80
Aug	374.75-74.90	358.00-58.50	381.00-59.00
Oct	355.50-59.00	343.00-46.00	364.00-50.00
Jan	338.00-32.00	318.00-23.00	341.75-41.85

Sales: 17,785 (15,087) lots of 50 tonnes.

No. 2 CONTRACT—Close (in order buyer, seller, business, sales): Oct. 369.00, 370.00, 383.00-349.00, 737. Sales: 737 (182).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £456.00 (£405.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 11: Daily price 32.44 (32.43); 15-day average 31.32 (31.30).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller only). Australian cents per pound. Oct. 482.0 traded; Dec. 473.5, 475.0; Mar. 483.5, 484.0; May 490.0 traded; July 492.0 traded; Oct. 489.0, 492.0; Dec. 492.0, 493.0; Mar. 493.0 traded. Estimated total sales 737.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 359, 364, nil, nil; Dec. 368, 370, nil, nil; Jan. 369, 372, 371-370, 7; March 373, 377, 373, 2; May 374, 380, nil, nil; Aug. 374, 380, nil, nil; Oct. 375, 380, 380, 2; Dec. 381, 385, 380, 2; Jan. 382, 385, 382, 3; March 383, 388, nil, nil. Sales 16.

POTATOES

LONDON POTATO FUTURES—The market was weaker on nearby on long liquidation prompted by concern over poor demand, reports Coley and Harper. Closing prices: Nov. 40.00 −80 (high 40.70, low 40.00); Feb. 47.00 −20 (high 47.30, low 47.00); April 54.00 −30 (high 54.40, low 54.00). Turnover: 54 (9) lots of 40 tonnes.

in bad,used sacks many bagged

*

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.80-£5.60, codlings £2.70-£3.40. Large haddock £4.00-£5.00, medium £3.40-£4.00, small £2.60-£3.00. Medium plaice £5.60-6.40, best small £3.00-£3.80. Skinned dogfish, large £10.00; medium £8.00. Lemon soles, large £7.50; medium £7.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on September 12. GB cattle 70.48p per kg lw (−2.19); UK sheep 115.21p per kg est dcw (−1.06); GB pigs 67.20p per kg lw (−0.75).

English produce: Potatoes—Per bag, new 1.20-1.80. Mushrooms—Per pound 0.60-0.80. Apples—Per pound Grenadier 0.04, Howgate 0.06-0.07, Derb 0.06-0.07, Tydeman's Early Worcester 0.08-0.14, Discovery 0.12-0.18, Bramleys 0.08-0.12, Worcester Pearmain 0.10-0.16, Cox's Orange Pippins 0.20. Pears—Per pound Williams 0.10, Dr. Jules 0.08, Conference 0.10. Plums—Per 12 lb Belles 1.30, Victorias 2.40, Droopers 0.80, Damsons 1.40-1.80, Bush 1.10-1.20. Strawberries—Per half-pound 0.30-0.35. Cabbages—Per bag 1.20-1.30.

AMERICAN MARKETS

NEW YORK, September 12.

COMMISSION HOUSE liquidation put glod sharply lower and left silver mixed: copper was also mixed on the weakness in gold. Continued buying on Soviet problems and buying by Poland and China moved sugar up the limit. Cocoa advanced on reports that the ICCO understated consumption. Coffee was under severe pressure as liquidation of longs continued. Cotton was limit up on a bullish crop estimate. Cattle markets were mixed while the pork complex came under heavy selling as marketings reached seasonal highs. Grains and soyabeans fluctuated widely before closing sharply lower on local and professional selling, reported Heinold.

Copper—Sept. 94.65 (95.55), Oct. 95.70 (96.30), Nov. 96.65, Dec. 97.20-97.70, Jan. 98.50, March 99.85-100.50, May 102.00, July 103.60, Sept. 105.20, Dec. 107.80, Jan. 108.70, March 110.30, May 111.80, July 113.30. Sales: 9,000.

Potatoes (round whites)—Nov. 91.5-91.8 (92.8), March 128.0-128.4 (130.7), April 151.6-152.0. Sales: 1,705.

Sugar—No. 11: Oct. 37.55-37.95 (36.22), Jan. 36.75 (35.75), March 37.78, May 37.39, July 36.77, Sept. 35.99, Oct. 35.40, Jan. 32.45. Sales: 11,085.

Pork Bellies—Feb. 66.40-66.27 (68.22), March 66.25-66.15 (67.95), May 67.50-67.60, July 68.00, Aug. 66.50.

CHICAGO, September 12.

Silver—Sept. 2100.0 (2060.0), Oct. 2113.5 (2043.0), Nov. ——, Dec. 2160.0-2165.0, Feb. 2214.5, April 22668.5, June 2318.5, Aug. 2370.5, Oct. 2422.5, Dec. ——, Feb. ——, April 2580.0, June 2622.0, Aug. 2664.0, Oct. 27066.0, Nov. ——, April ——.

†Soyabeans—Sept. 807 (829), Nov. 827-830 (847½), Jan. 848-850, March 864-867, May 874, July 874½-875, Aug. 867½, Sept. 845, Nov. 832-834.

‖Soyabean Meal—Sept. 235.5-236.0 (240.0), Oct. 237.0 (240.9), Dec. 241.5-242.0, Jan. 244.3-243.6, March 247.5-247.0, May 247.0, July 246.0-246.5, Aug. 241.0-242.0, Sept. 239.5-240.0.

Soyabean Oil—Sept. 26.70-266.75 (27.59), Oct. 26.85-26.90 (27.70), Dec. 27.45-27.40, Jan. 27.606, March 28.05, May 28.25-28.30, July 28.50, Aug. 28.40-28.45, Sept. 28.30-28.35.

†Wheat—Sept. 465½-466½ (471), Dec. 484½-486 (491½). March 503-504, May 507½-508, July 504-505½, Sept. 512.

Tin—825.0 (same).

CHICAGO, September 12.

Lard—Chicago loose 23.25 (same). New York prime steam unavailable:

Live Cattle—Oct. 68.40-68.30 (68.17), Dec. 69.45-69.60 (69.47), Jan. 71.10, Feb. 70.95-71.00, April 73.20-73.10, June 74.40-74.25, Aug. 74.20, Oct. ——, Dec. 74.50.

Live Hogs—Oct. 45.80 (47.30), Dec. 48.30-48.17 (49.62), Feb. 51.50-51.60, April 50.55-50.80, June 54.82-54.50, July 55.60, Aug. 54.00, Oct. 52.65, Dec. ——.

‡‡Maize—Sept. 347¾-349 (354¾), Dec. 348½-350 (356¼), March 361½-361, May 365-366, July 365½-366, Sept. 357½-358½.

WINNIPEG, September 12. §Barley—Oct. 136.30 (136.70), Dec. 138.30 (238.60), March 138.30, May 139.80, July 138.60.

Chicago Imm Gold—Sept. 682.0 (690.7), Oct. 686.0 (696.4), Dec. 703.0-704.0, Jan. 713.0, March 731.0-729.5, April 740.2, June 757.5-758.8, July 768.0.

¶Silver—Sept. 2050.0-2060.0 (2063.0), Oct. 2090.0 (2071.0), Nov. 2115.0, Dec. 2130.0-2140.0, Jan 2167.0, March 2230.0, May 2260.0-2275.0, July 2328.0, Sept. 2382.0, Dec. 2463.0, Jan. 2490.0, March 2544.0, May 2598.0, July 2647.0. Sales: 5,000. Handy and Harman bullion spot 2140.0 (2015.0).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Sept. 11	Sept. 10	Mnth ago	Year ago
281.40	282.10	276.47	289.00

(Base: July 1, 1952=100)

MOODY'S

Sept. 11	Sept. 10	M'nth ago	Year ago
1289.2	1281.3	1247.5	1118.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 11	Sept. 10	Month ago	Year ago
Spot	464.84	450.92	450.86	407.21
F'tur s	476.74	473.44	461.76	413.30

(Average 1924-25-26=100)

REUTERS

Sept. 12	Sept. 11	M'nth ago	Year ago
1767.3	1745.3	1735.5	1611.0

Base: September 18, 1931=100)

Stock Exchange dealings

Thursday, September 11	22,478
Wednesday, September 10	23,742
Tuesday, September 9	21,781
Monday, September 8	20,382
Friday, September 5	18,731
Thursday, September 4	18,787

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

† Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✦ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (526)

CORPORATIONS (16)

PUBLIC BOARDS (6)

COMMONWEALTH. GOVTS. (2)

COMMONWEALTH CPN. STKS.

FOREIGN STOCKS (7)

FOREIGN CORPS. (—)

BANKS (199)

BREWERIES (104)

COMMERCIAL (2,099)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (6)

INSURANCE (121)

INVESTMENT TRUSTS (119)

ELECTRIC LIGHT (—)

FINANCIAL TRUSTS (83)

Plea to save City school

MR. MICHAEL HESELTINE, the Environment Secretary, has been asked urgently to list London's Guildhall School of Music which, with its superb architectural carving, is under threat of demolition.

The conservation group Save Britain's Heritage (SAVE) believes that the building, in the City, should be listed at least Grade Two if not Grade One.

The school is part of a much larger site which developers want to demolish and replace with what SAVE describes as "a tower block lying down."

Radio advisory group set up

THE Independent Broadcasting Authority has now set up its advisory committee for the new independent local radio service in the Bournemouth area. Two Counties Radio, which is expected to begin broadcasting on Monday.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Thorn EMI	25p	9	360	−12	380	260
Blue Circle 'New'	Nil/pd.	8	54pm	+ 2	54pm	44pm
GEC	25p	8	537	+17	537	326
Prudential	25p	8	250	+ 8	250	162
Burmah Oil	£1	7	207	+ 7	249	162
NatWest Bank	£1	7	408	+11	408	305
Plessey	50p	7	265	+ 9	265	108
RTZ	25p	7	487	+ 9	487	327
Turner & Newall	£1	7	109	+ 4	142	90
Anglo-Am. Corp.	R0.10	6	765	+20	765	485
BP	25p	6	364	+ 4	412	320
Cadbbury Sch'pes.	25p	6	74	+ 4	74	54
MEPC	25p	6	256	+ 5	256	157
Tesco Stores	5p	6	60	+ 1½	75	54
Unigate	25p	6	109	+ 3	137	106

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
Anglo-Am. Corp.	R0.10	58	765	+65	765	485
GEC	25p	54	537	+33	537	326
Plessey	50p	45	265	+22	265	108
De Beers Defd.	R0.05	41	492	+42	553	368
P & O Defd.	£1	39	129	− 4	136	105
Cons. Gold Fields	25p	36	595	+48	595	385
ICI	£1	36	372	+10	402	348
Blue Circle 'New'	Nil/pd.	35	54pm	+ 4	54pm	44pm
BP	25p	35	364	+ 6	412	320
Shell Transport	25p	35	416	+ 4	432	314
NatWest Bank	£1	33	408	+20	408	305
Racal Electronics	25p	33	341	+19	341	175
Tilling (T.)	20p	33	158	−19	180	102
BET Defd.	25p	32	139	—	150	108
Turner & Newall	£1	32	109	+ 1	142	90

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UNIT TRUSTS (4)

West African (3)

Diamond (10)

OIL (182)

MINES

Australian (18)

Miscellaneous (44)

Rhodesian (15)

South African (157)

West Area Gold (R1) 463 1 70 $US11.10 (10/9). $US11.12
Western Deep Levels (R2) $US66ф 4 £26:
Western Hldgs. (R0.50) 38½ф $US92 £37.05: 37
Winkelhaak (R1) 17.85ф $US43 £37.78

PROPERTY (93)

RUBBER (8)

UK RAILWAYS (1)

Canadian Pacific (SC5) £17¼ (8/9). 4pc Cons.Db. 30½ (9/9)
Ontario Quebec Rly. 5pcDb. 36½ф

SHIPPING (51)

Brit. and Commonwealth Shipping (50p) 337ф
Caledonia Inv. (25p) 328
Common Bros. (50p) 262 (10/9)
Fisher (James) and Sons (25p) 188 (9/9)
Graig Shipping £12½ (5/9)
Hunting Gibson (25p) 114 (9/9)
Jacobs (John I.) (20p) 32½ (9/9)
London and Overseas Freighters (25p) 35 70 9 ½ 8½

TEA AND COFFEE

CANALS (6)

WATERWORKS (6)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

SEPTEMBER 11

SEPTEMBER 10

Keywest Exp. 25½ф 41ф 24½ 5½ 6
Kitchener Gold Mining 210ф 15ф 20ф 2ф
Land Lease 202ф
Landmark Land Co. Inc. £5.75ф 5.79ф
Loral Corp. £14ф 14.10ф 14⅛
MIM Hldgs. 252ф 49ф 50ф 3ф 1½ф 2½ф 49
Meredith £16.37ф 16.47ф
Metals Expln. 74ф
Mount Carrington 52ф
North Broken Hill 187ф 7
Oil Inv. 19ф
Oil Search 13
Oriental Pets. B $0.095ф
Otter Expln. 85½ ½: 6
Pacific Copper 212
Pancontinental 343ф 40ф 35ф
Peko-Wallsend 460ф 5ф 72ф
Perkin Elmer £24½ф
Pilgrim Pet. 200
Poseidon 294½ф 8ф 302
Queen Margaret Mine 26 5
Raytheon £37¼
Repco 48
Rolinco 5½pcCmPr. £80
Samson 82
Southern Pacific Pets. 12½ф ½ф ¾ ¼
Spargo 35½ф 6¼ф 4
Standard Oil Indiana £23½ф
Swire Pacific A 67ф 70
Target Pets. 32ф 30½
Teck Corp. B 800ф 20
Thomas Nationwide 128ф
Unilever £26.45ф 26.40ф 26.55 26.60
Warrior Res. 395 90 70 40
Wheelock Marden A 42½ф 5
Woodside Pets. 145ф 8ф 8 9

SEPTEMBER 9

Ashton Mining 153
Australian Foundation Inv. Co. (all pd) 16

SEPTEMBER 8

SEPTEMBER 5

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

SEPTEMBER 11

SEPTEMBER 10

SEPTEMBER 9

SEPTEMBER 8

Adnams A 230
Air Call 205
Applied Computer Techniques 468 70 2 3
Ascot TV Rentals 11
Baker Electronics 107
Baker Electronics New 103 11
Blyth Greene Jourdain 212
Booth (Charles) 25
Ceylon and Indian Planters 213

CIC Inv. (1p) 2½ 2¼ ⅜ 16
CIC Inv. (10p) 3½
Clairmace 10 11
Clyde Petroleum 450 5 65 70 1½ 2, 5
Commercial Bank of Wales 78
Cordova Land 8½ 9½
Dalkeith (Ceylon) 15
Deltenne 13½
Delight 58
Dollar Land 20
Edinburgh Secs. 200
Exeter Building and Construction 73
Extract Wool 7pc2ndPf. 36

SEPTEMBER 5

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

* Denotes Irish currency.

SEPTEMBER 11

SEPTEMBER 10

SEPTEMBER 9

SEPTEMBER 8

SEPTEMBER 5

Berkeley Exploration and Production (50p paid) 183 5 7 8
Candecca Resources 193 5 6 7 8 9 200 1 2 3 4
CCP North Sea Associates 245 8 50
Cluff Oil 320 3 5
Gas and Oil Acreage 388 90 5
Marinex Petroleum 138 40 1
Pict Petroleum 355 60 4 70
Sovereign Oil and Gas 298 300 2 3 5 8 10 11 12 13
Sun Oil (UK) (R/C fully paid) 500 15

(paid) 161 2 4 5 7 8
Candecca Resources 198 9 200 1 2 3 4 5
CCP North Sea Associates 238 43
Cluff Oil 302 8 10
Gas and Oil Acreage 375
Marinex Petroleum 142
Pict Petroleum 305 15 20 5 30 5 45
Sovereign Oil and Gas 225 7 8 90 2
Sun Oil (UK) (R/C fully paid) 475 80 500

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual Interest gross interest	pay-able	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13⅞	½-year	1,000	4-5
Redbridge 01 478 3020	13¼	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs.,11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 mths. notice
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.60 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.50 (5 yrs.)

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate fell by 0.35 per cent at yesterday's tender to its lowest level since last November at 14.4024 per cent, and the *minimum* accepted bid rose to £96.40 from £96.32. *Bids at that level were* met as to about 35 per cent and above *in full.* The £200m bills on offer attracted bids of £573.46m. and all bills offered were allotted. Next week a further £200m will be on offer, replacing maturities of £300m.

In the money market the call *on* Treasury 12 per *cent* 1987 was the main factor behind a shortage of *day-to-day funds.* The call drained a very large amount from the system, and there was also the repayment of Thursday's moderate official advances, as well as a small increase in the note circulation.

The Bank of England gave assistance on an exceptionally large scale, comprising small purchasing of Treasury bills from banks and small loans to *one or two discount houses* at MLR, for repayment on Monday. The authorities also bought an exceptionally large amount of eligible bills on a sale and repurchase arrangement. In the interbank market *weekend money* opened at 16¼-16¾ per cent and eased to 15¾-16 *per cent before closing at* 18-18¼ per cent.

EXCHANGES AND BULLION

Trading was mostly quiet ahead of the weekend in currency markets yesterday, with sterling showing little overall movement on balance, and the U.S. dollar slightly firmer on the latest rise in U.S. prime rates to 12½ per cent. Sterling's trade weighted index finished at 78.2, *unchanged from Thursday,* having stood at 76.3 at noon and *in the morning. Against the* dollar it opened at $2.4165-2.4175 and eased to $2.4110-2.4120 around noon. During the afternoon early dollar softness pushed up sterling to $2.4150, but news of the prime rate rise saw the pound fall to $2.4080-2.4090 at one point. It closed *at $2.4140-2.4150, a rise of just* 20 points from Thursday's close.

The dollar was hardly changed overall, closing at *DM* 1.7805 against the D-mark compared with DM 1.7775 previously, and SwFr 1.6300 against SwFr 1.6280 in terms of the Swiss franc. On the other hand the yen improved quite sharply *in later trading,* with the U.S. unit finishing at Y213.10 from Y214.30.

Gold rose to its highest closing level *since February in* the bullion market, with speculative demand increased ahead of Monday's OPEC meeting. The metal closed at $686-689, a rise of $6 an ounce from Thursday and $36 on the week. At one point *yesterday* it reached a high of $696-699.

THE POUND SPOT AND FORWARD

Sept. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.4085-2.4180	2.4140-2.4150	1.13-1.03c pm	5.37	2.32-2.22 pm	3.76
Canada	2.7975-2.8080	2.8015-2.8025	1.58-1.48c pm	6.55	3.45-3.35 pm	4.85
Nethlnd.	4.65½-4.69½	4.66¾-4.67¾	2½-1½c pm	5.14	6⅜-5⅜ pm	4.81
Belgium	68.80-69.20	68.90-69.00	30-20c pm	4.35	60-50 pm	3.19
Denmark	13.27-13.34	13.33-13.34	2-3¾ore dis	−2.63	10½-11⅞ dis	−3.35
Ireland	1.1380-1.1425	1.1385-1.1395	0.20-0.16p pm	1.90	0.38-0.33 pm	1.25
W. Ger.	4.28-4.32	4.29½-4.30½	3¼-2¼pf pm	8.02	8-7 pm	6.98
Portugal	119.20-119.90	119.50-119.70	20c pm-20 dis	—	20pm-55dis	−1.25
Spain	176.35-176.80	176.55-176.65	15-70c dis	−2.89	190-270dis	−5.21
Italy	2,041-2,049	2,046½-2,047½	6¼-8¼ lire dis	−4.54	39-42 dis	−7.91
Norway	11.61-11.65	11.63-11.64	5-3½ore pm	4.19	9⅜-8⅞ pm	3.05
France	9.97-10.02	9.97½-9.96½	4¼-3½c pm	4.51	9¾-8¼ pm	3.51
Sweden	10.00-10.04	10.02½-10.03½	½ore pm-¼ dis	0.15	1¼-3¾ dis	−1.00
Japan	511-521	514-515	1.65-1.10y pm	3.21	4.60-4.05 pm	3.36
Austria	30.35-30.48	30.40-30.45	13-10gro pm	4.53	31-25 pm	3.68
Switz.	3.92-3.95	3.93¼-3.94¼	3⅝-2⅝c pm	9.52	10⅜-9⅞ pm	10.03

Belgian rate is for convertible francs. Financial franc 69.65-69.75.
Six-month forward dollar 3.22-3.12c pm, 12-month 3.95-3.85c pm.

GOLD

	Sept. 12		Sept. 11	
Gold Bullion (fine ounce)				
Close	$686-689	(£284¼-285½)	$683-686	(£284¼-285½)
Opening	$692-695	(£286¼-288)	$678-681	(£282¼-283½)
Morning fixing	$693.50	(£287.104)	$686	(£285.835)
Afternoon fixing	$685.50	(£284.086)	$686.5	(£285.863)
Gold Coins				
Krugerrand	$709-711	(£293½-295½)	$704-706	(£293¼-294¾)
Mapleleaf	$705-708	(£291¾-294¾)	$698-701	(£291-293)
New Sovereigns	$174-175	(£72-73)	$173-174	(£72-72½)
King Sovs	$200-203	(£82½-83½)	$200-202	(£83-84)
Victoria Sovs	$200-203	(£82½-83½)	$200-202	(£83-84)
French 20s	$167½-170½		$167½-170½	
50 pesos Mexico	$847-850		$847-850	
100 Cor. Austria	$669-673		$668-671	
$20 Eagles	$790-795		$791-794	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Sept. 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.415	4.300	514.5	9.980	3.938	4.673	2047.	2.802	68.95
U.S. Dollar	0.414	1.	1.781	213.1	4.133	1.631	1.935	847.8	1.160	28.56
Deutschemark	0.233	0.562	1.	119.7	2.321	0.916	1.087	476.0	0.652	16.03
Japanese Yen 1,000	1.944	4.695	8.358	1000.	19.40	7.653	9.082	3979.	5.446	134.0
French Franc 10	1.002	2.419	4.309	515.5	10.	3.945	4.682	2051.	2.808	69.09
Swiss Franc	0.254	0.613	1.092	130.7	2.535	1.	1.187	519.9	0.712	17.51
Dutch Guilder	0.214	0.517	0.920	110.1	2.136	0.845	1.	438.1	0.600	14.76
Italian Lira, 1,000	0.489	1.180	2.101	251.3	4.875	1.924	2.283	1000.	1.369	33.68
Canadian Dollar	0.357	0.862	1.535	183.6	3.562	1.405	1.668	730.5	1.	24.61
Belgian Franc 100	1.450	3.502	6.236	746.2	14.47	5.711	6.777	2969.	4.064	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 12)

3 months U.S. dollars		6 months U.S. dollars	
bid 11 3/4	offer 11 7/8	bid 12 1/8	offer 12 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

CURRENCY MOVEMENTS

Sept. 12	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.2	−29.8
U.S. dollar	83.2	−10.3
Canadian dollar	80.8	−17.0
Austrian schilling	156.1	+24.4
Belgian franc	115.1	+13.3
Danish kroner	106.6	−4.7
Deutsche mark	154.4	+43.6
Swiss franc	198.1	+80.1
Guilder	126.2	+20.2
French franc	101.0	−6.0
Lira	52.6	−51.6
Yen	133.5	+31.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

LONDON MONEY RATES

Sept. 12 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15¾-18½	—	—	—	16¼-16⅛	15½-16	—	—	—
2 days notice	—	—	16¼-16½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅜-16⅝	16⅜-16½	—	16⅞	16¾-16⅞	16⅝-15¾	—	—	—
One month	16⅝-16⅜	16 1/16-16 5/16	16⅜-16½	17⅜-17⅛	16⅞	16⅞	15⅜	14 13/32-14½	16⅜	17
Two months	16 1/16-15 15/16	16-16⅛	—	16⅝-16⅞	16 1/16	—	14¾-15	14 13/32-14½	15 13/16-15¾	16⅜
Three months	15 15/16-15½	15¾-15⅞	15¾-15⅞	15¾-16¼	16 1/16	16¼-16⅜	14¼-14¾	14⅝-14 13/32	15	15½
Six months	14⅞-14½	14¾-14⅞	14⅞-15	14⅝-15⅛	15⅛	15½	—	—	13¾-13 11/16	14⅜
Nine months	13 15/16-13 13/16	14 1/16-14¼	—	14⅜-14¾	14 1/16	14¾	—	—	—	—
One Year	13 7/16-13 5/16	14 13/16-14 11/16	14-14⅛	13⅞-14⅛	14 1/16	14⅜	—	—	—	—
Two years	—	—	13⅞-14	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13⅞ per cent; four years 13¾ per cent; five years 13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾-14 11/16 per cent; four-month trade bills 15⅜ per cent.

Approximate selling rate for one-month *Treasury bills* 14 9/32-14⅜ per cent; two-months 14 3/32-14⅛ per cent; three-months 14⅛-14 3/32 per cent. Approximate selling rate for one-month bank bills 16⅜ per cent; two-months 15 25/32-15⅝ per cent; *three-months 14⅞ per cent; one-month trade bills 18¾ per cent; two-months 18⅛ per cent; and three-months* 15½ per cent.

Finance Houses Base Rates (published by the *Finance Houses Association) 16½ per cent from September 1, 1980.* Clearing Bank Deposit Rates *for sums* at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4024 per cent.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 12	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅛-16¾	10⅜-10⅝	9-10	10¼-10⅜	5¼-3¾	8⅜-8½	11¼-11½	14-18	5⅞-4	13¼-13¾
7 days' notice	16⅝-16⅞	10 5/16-10 7/16	9½-11	10 1/16-10½	3¾-4¼	8⅜-8½	11¼-11½	16-20	10 5/16-10 7/16	13½-14
Month	16⅛-16¾	11-11¼	9⅝-10	10½-10⅝	5⅝-5¾	8⅝-8¾	11⅝-11⅞	20¾-21¼	11-11⅛	13-13¼
Three months	15⅞-16⅛	11 1/16-11 3/16	10¼-10⅝	10 5/16-10 7/16	5 7/16-5 9/16	8 7/16-8 9/16	11⅞-12⅛	23½-24½	11 1/16-11 3/16	11⅞-12⅛
Six months	15⅛-15⅜	12 1/16-12⅝	11-11⅜	10 9/16-10 11/16	5¾-5⅞	8⅜-8½	12¼-12½	25¾-26¾	12 3/16-12 5/16	10⅝-10⅞
One Year	14⅛-14⅜	12 7/16-12⅝	11½-11⅞	10 5/16-10 7/16	5 9/16-5 11/16	8 7/16-8 9/16	12½-12¾	24-25	12 5/16-12 7/16	9⅝-9⅞

Long-term Eurodollar two years 12⅝-12⅞ per cent; three years 12½-12¾ per cent; four years 12½-12¾ per cent; five years 12½-12¾ per cent nominal closing rates. *Short-term rates are call for sterling, U.S. dollars,* Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 10.95-11.05 per cent; three-months 11.50-11.60 per cent; six-months 11.75-11.85 per cent; one year 11.85-11.95 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6004	+2.04	+0.79	±1.53
Danish Krone	7.72336	7.82375	+1.30	+0.05	±1.64
German D-Mark	2.48208	2.53117	+1.98	+0.73	±1.125
French Franc	5.84700	5.88451	+0.64	−0.61	±1.3657
Dutch Guilder	2.74362	2.74975	+0.22	−1.03	±1.512
Irish Punt	0.668201	0.671648	+0.52	−0.73	±1.668
Italian Lira	1157.79	1204.76	+4.06	+2.88	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 12	£	$		£ Note Rates
Argentina Peso	4626-4646	1917-1924	Austria	30.20-30.50
Australia Dollar	2.0560-2.0600	0.8520-0.8525	Belgium	69.10-69.70
Brazil Cruzeiro	136.28-137.28	56.54-56.74	Denmark	13.22-13.32
Finland Markka	8.753-8.76	3.6285-3.6295	France	9.93-10.0
Greek Drachma	102.220-104.698	42.35-42.50	Germany	4.27½-4.31
Hong Kong Dollar	11.92-11.94	4.9440-4.9460	Italy	2015-2125
Iran Rial	n.a.	n.a.	Japan	515-521
Kuwait Dinar(KD)	0.641-0.647	0.2667-0.2669	Netherlands	4.65-4.69
Luxembourg Frc.	68.90-69.00	28.54-28.56	Norway	11.59-11.69
Malaysia Dollar	5.0850-5.0950	2.1090-2.1110	Portugal	116-126
New Zealand Dlr.	2.4440-2.4490	1.0135-1.0135	Spain	171¾-180
Saudi Arab. Riyal	7.98-8.04	3.3185-3.3215	Sweden	9.96-10.06
Singapore Dollar	5.0900-5.1000	2.1100-2.1120	Switzerland	3.91½-3.94½
Sth. African Rand	1.8145-1.8155	0.7515-0.7520	United States	2.408-2.4205
U.A.E. Dirham	8.87-8.93	3.6870-3.6900	Yugoslavia	70½-73½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 13/9/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.‖	Income Div.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	152.00	47.6	77-81	6.8	4.3	−16.0	−16 to −7	0.0	9.7	5.3	+21.3
British Land 12pc Cv. 2002	7.71	306.00	333.3	80-97	4.0	1.4	− 1.3	− 6 to 4	17.1	91.7	24.1	+25.3
Hanson Trust 6½pc Cv. 88-93	3.02	95.00	57.1	76-81	6.8	7.1	− 4.5	− 7 to 1	3.1	0.0	− 3.1	+ 1.3
Slough Estates 10pc Cv. 87-90	5.44	280.00	187.5	78-85	3.6		− 1.1	− 6 to 2	28.0	35.1	2.5	+ 3.6
Slough Estates 8pc Cv. 91-94	24.88	134.00	78.0	80-91	6.0	4.2	13.8	13 to 19	25.6	48.8	19.7	+ 5.9
Wilkinson Match 10pc Cv. 84-98	11.10	91.00	40.0	76-83	11.2	11.4	28.5	22 to 55	14.8	25.3	14.8	−13.7

* *Number of ordinary shares into which £100 nominal of convertible stock is convertible.* † *The extra cost of investment in convertible expressed as per cent of the* cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. *This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final* conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of *convertible. Income is summed until conversion and present valued at 12 per cent per annum.* ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity, + is an indication of relative cheapness, − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Optimistic close leaves equity index up 25.0 on Account

Gilts unperturbed by £1bn new long tap stock

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 1	Sept. 11	Sept. 12	Sept. 22
Sept. 15	Sept. 25	Sept. 26	Oct. 6
Sept. 29	Oct. 9	Oct. 10	Oct. 20

* "New time" dealings may take place from 9 am two business days earlier.

The Government's tough line on public sector pay rejuvenated stock market hopes of moderation in wage settlements and enabled the two main investment sectors to make fresh progress yesterday. The smallest monthly rise in the Retail Price Index for over three years, to lower the annual rate of inflation to 16.3 per cent, was also a major influence. Leading equities closed the two-week *trading Account on a strong note* suggesting a good start on Monday to the next fortnightly Account which, it is hoped, might see a reduction in Minimum Lending Rate.

The RPI surprise also aroused interest in Gilt-edged securities, which earlier had marked time awaiting the possibility of new Government funding. This duly came in the shape of a further £1bn tranche of **Exchequer 12 per cent 1998**, designated A, to be issued by tender at a minimum price of 92½ with £50 payable on application next Thursday. After rising about ½ immediately following the RPI announcement, longer-dated Gilts eased ¼ but were improving when dealings resumed late after the customary recess to consider the new tap stock.

The tone at the short end of *the market strengthened* afterhours in the absence of any new funding in this area. Slightly hesitant just before the 3.30 close, quotations settled at the day's best with gains stretching to ⅜.

Revived institutional inquiries for leading industrials were drawn by the market's extremely good performance on Thursday when it resisted the downward pull of Gilts. Equity leaders went higher from the outset with the accent on Electricals, Oils, Banks and Insurances, although the busiest individual share was again **Dunlop**.

Reflecting the general optimism, *the FT 30-share index ended 5.9* up for a rise of 25 points on the Account to a 1980 high of 508.9 and the FT-Actuaries All-share index rose 1.3 per cent to a peak since compilation in 1962 of 298.49.

South African Gold shares were again buoyant on sustained Johannesburg demand in the wake of the soaring bullion price. Heavyweight issues scored gains of over three points and the FT Gold Mines index hit a new all-time peak to close 19.6 up for a *rise on the week of 40.4 at 468.4.*

Traded options ended an active week with 1,896 deals arranged for a week's daily average of 1,640 — the highest for three months. **Lonrho** yesterday attracted 505 trades, while **Land Securities and Commercial Union** were dealt 346 and 294 times respectively.

Banks good

Some keen buying, some of *which was institutional*, helped the major clearing banks close the week and Account on a strong note. Closing levels were the best of the day with **Barclays**, 448p, and **Lloyds**, 348p, up 13 apiece, while **NatWest** added 11 to 408p and **Midland** appreciated 10 to 365p. **Bank of Scotland** put on 8 to 293p; the interim results are due on September 23. Elsewhere, still drawing strength from the good interim results *and reflecting the group's bullion* interests, **Standard Chartered** rose 20, making a jump on the week of 77 at 635p. Merchant Banks made progress with the exception of **Guinness Peat**, which lost 10 to 135p on the cautious interim statement. **Rea Bros.**, 93p, and **Hambros**, 555p, improved 5 and 7 respectively. Cheaper money hopes helped **Lloyds and Scottish** rise 3 afresh to 173p.

Stock shortage helped accentuate the gains in Insurances. Buying ahead of Wednesday's interim results left **Legal and General** 12 higher at 240p, while **Prudential** rose 8 to 250p after comment on the first-half figures. **Britannic** *added 8 to 256p as did* **Pearl**, to 424p, while **Hambro Life** improved 7 to 303p. Composites featured **Royals** 14 dearer at 472p and **General Accident** 8 up at 360p. **Eagle Star** rose 5 to 262p; the mid-term results are due next Wednesday.

Breweries opened firmer and, despite two-way business during the afternoon, most closed with modest rises. **Bass** stood out, gaining 5 *for a rise* on the week of 11 to a 1980 peak of 248p.

Selective support left the Building sector with some useful gains. **Tarmac**, interim results due shortly, were prominent with a rise of 12 to 290p, while **RMC**, *also due to make an interim statement soon*, advanced 9 more to 202p. **Redland** were also good at 178p, up 8, along with **Newarthill**, which firmed 5 more to 335p. Press mentioned stimulated buy*ing interest in* **May and Hassell**, 4 to the good at 80p, while **IDC** hardened 2 to 68p following the interim results. By way of contrast, **Higgs and Hill** fell to 80p before closing 7 lower at 87p on news that **BICC**, up 3 at 148p, had withdrawn its conditional bid. **Burnett and Hallamshire** closed *5 lower at 750p following the* proposed rights issue.

UDS easier

Leading Stores finished on a firm note with **Marks and Spencer** gaining 2 to 111p. **UDS**, however, shed that much to 69p in front of next Thursday's interim results. In secondary issues, Press comment helped **Amber Day**, 2 better at 26p, and **Samuel Sherman**, a penny up at 12½p. Interest was also noted for **Tricoville**, 63p, up 4, but the sharp downturn in interim profits clipped 6 from **George Oliver (Footwear)**, 93p. The full-year loss left **Cantors A** *4 lower at 42p*, after 40p, while profit-taking clipped a couple of pence from **Cornell Dresses**, 86p; the latter retained a gain on the week of 34 following **Mr. Asil Nadir's** interest in the company.

The forecast of lower first-half profits caused marked weakness in **Thorn EMI** which fell to 348p before recovering to close 12 down at 360p. Other leading Electricals faltered after the *Thorn EMI announcement*, but buyers soon took command again and final quotations were around the day's best. **GEC** ended 17 to the good at 537p and **Plessey** 9 higher at 265p, while **Racal** finished 8 up at 341p. Secondary issues staged a revival. **Unitech** gained 6 to 344p, while **Bowthorpe** encountered support and put on a similar amount to 162p.

Engineering leaders finished the day on a steady to firm note, **Hawker** improving 6 to 234p. Occasional movements elsewhere in the sector were mixed. **ML Holdings** firmed 10 more to 380p in a restricted market, while continued *support lifted* **Westland** 9 for a rise on the week of 16 to 144p. **Babcock** rallied 4 to 100p after the earlier setback during the week on the interim results. **Hopkinsons** remained firm at 80p, up 3. In contrast, sporadic offerings left **Wolseley Hughes** 6 cheaper at 240p, while **Weir Group**, 25p, and **Wombwell Foundry**, 16p, gave up 2 apiece in smaller-priced issues.

Foods ended the Account on a firm note. Among retailers, **J. Sainsbury** added 8 more to 520p for a rise of 53 on the two-week Account. **Unigate**, 109p, recovered 3 of the previous day's fall of 7 which stemmed from *the chairman's profits warning*, while further consideration of the interim statement helped **United Biscuits**, 2 better at 90p. **Cadbury Schweppes** gained 4 to 74p, up 14 over the last two weeks while **Tate and Lyle** also rose 4, to 160p, while second thoughts on the reduced first-half *loss left* **Taverner Rutledge** 6 up at 26p after Thursday's fall of 4. In Hotels, **Rowton** eased 5 to 163p following the interim profits setback. **Grand Metropolitan** firmed a couple of pence to 158p, while rumours of a counter-bid prompted a good business in **Coral Leisure**, 4 better at 95p.

Bridon fall

Miscellaneous industrial leaders ended the week on a firm note with demand continuing after-hours on hopes that interest rates would fall in the next account. Comment on the interim results prompted a recovery of 4 to 109p in **Turner and Newall**, while **Glaxo** put on *6 to 250p. Elsewhere*, **Bridon** became a prominent dull counter, falling 10 to 56p following comment on the first-half results and accompanying warning about second-half prospects; the price in yesterday's issue was incorrect. Nervous offerings ahead of next Friday's half-year results prompted a reaction of 5 to 183p in **European Ferries**, while **Friedland Doggart** reacted 3 to 84p on the lower interim earnings. Buying on consideration of the company's bullion interests helped **Johnson Matthey** rise 6 to 236p and **Maynards** added 8 more to 146p on further consideration of the results. *Demand in a thin market* prompted a rise of 25 to 515p in **Applied Computers**, while **Myson** hardened 2 to 61p, after 63p, in response to Press comment. **W. Goodkind** edged forward 1½ to 30½p on an investment recommendation.

Motor Distributors were selectively firm. **T. Cowie** added 3 to 35p on rumours that the company is disposing of some of the coach operations acquired with the takeover of George Ewer. The interim loss and passed dividend failed to unsettle **Appleyard**, and the shares, dull recently, closed a penny to the good at 41p. Components were again featured by **Dunlop** on speculation of a bid from the Far-east and the close was 4 better for a two-day gain of 10 at 84p. **Flight Refuelling** eased 2 but still retained a week's gain of 24 at 272p.

Among Publishers, **A. and C. Black** fell 5 to 85p on the lower interim profits and dividend and the warning of a full-year loss.

Mounting optimism that interest rates will soon fall, perhaps *in the next Account*, encouraged fresh demand for Properties. **Stock Conversion** rose 10 to 500p, **Land Securities** improved 6 to 397p, while **MEPC**, 256p, and **British Land**, 97p, advanced 5 and 4 respectively. **Trafford Park Estates** gained 7 to 152p and **M. P. Kent** continued firmly at 84p, up 5, while Hong Kong issues **Cheung Kong**, 231p, and **Hong Kong Land**, 147½p, added 8 and 3½ respectively.

Oils make progress

A revival of investment demand for Oils was helped by reports of a modest improvement in spot prices in anticipation of the expected cut-back in production by Saudi Arabia. Among the leaders, **BP** and **Shell** edged up 4 to 364p and 416p respectively. **Lasmo** firmed 10 to 700p, while **Ultramar** revived with a gain of 10 to 378p. Among the more speculative exploration issues, **Sovereign** *stood out with a rise* of 28 to 328p. **Gas and Oil Acreage** rose 20 to 410p and **Cambridge** 15 to 260p, while **IC Gas** improved 12 to 285p. **Premier** were also noteworthy for a rise of 6 at 81p.

Firm conditions prevailed in Trusts and Financials but the volume of business contracted. Stockjobbers **Akroyd and Smithers** rose 7 more for a rise of 35 on the week to 362p, while **R. P. Martin** put on 3 to *77p*.

Continuing the rally since Wednesday's fall of 4 which followed the poor interim results, **P & O Deferred** picked up 4 to close only that amount lower on the week at 129p. Elsewhere in Shippings, **Ocean Transport** appreciated 5 to 134p.

In Textiles, **Montfort (Knitting Mills)** remained depressed by the sharply lower interim profits and the close was down for a fall on the week of 12 at 64p. **Blackwood Morton** dipped to a 1980 low of 9p in immediate response to the annual loss and lack of dividend, but support at the lower levels left the shares un*changed on balance* at 10p. In contrast, further support was noted for **Harold Ingram**, 2 up for a two-day gain of 5 at 23p.

Golds race ahead

The continuing strength of the bullion price helped South African Golds end a buoyant week in sparkling form.

The Gold Mines index touched an all-time record for the fourth time in the week and registered a gain of 19.6 at 468.4 — more than 40 points up on the week.

The bullion price was finally $6 firmer on balance at $687.50 an ounce for a week's rise of $36.

The initial sharp rise in gold to $693.50 at the morning fixing enouraged heavy buying of Gold shares early on with Johannesburg sources again aggressive buyers. The market then tended to ease a shade as local profit-taking was noted before staging a further advance to close at the day's best.

Heavyweights were featured by **Randfontein**, *which surged* £3¾ to £38¾, while "**Amgold**" advanced £2¾ to £50 and **GFSA** £2 to £39¾. Gains of around £1½ were common to **Hartebeest**, $38¼, **West Driefontein**, $42¾, and **Western Holdings**, £38⅞. Medium and lower-priced issues showed **Kinross** 41 up at 808p ahead of the dividend declaration and **Venterpost** 60 to the good at 900p.

The London-registered Financials surged ahead in the after-hours' trade on new-time buying. **Gold Fields** ended 20 better at a 1980 high of 595p. **Tanks** rose 6 to 350p and **Charter** 2 to a high of 252p. **Rio Tinto-Zinc** gained 9 to a year's high of 487p; half-year results are expected next Wednesday.

Australians made further progress following the announcement of the Federal Election date. The *Rundle oil-shale twins* raced ahead on strong overnight buying in Sydney and Melbourne which was followed by persistent London interest. **Central Pacific Minerals** advanced £2½ to £37 and **Southern Pacific** *almost* a point to £14⅛.

Golds attracted heavy demand with **Poseidon** 19 to the good at a year's high of 315p—a week's gain of 45—while **GMK** added 15 *to a high of 495p. North Kalgurli* 10 to 107p and **Hill 50 Gold** 5 to 51p.

FINANCIAL TIMES STOCK INDICES

	Sept. 12	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 5	A year ago
Government Secs	70.84	70.78	71.09	71.04	69.63	69.44	72.43
Fixed Interest	71.89	71.86	71.98	70.93	70.57	70.50	73.11
Industrial Ord.	508.9	503.0	501.8	503.9	492.0	494.4	467.7
Gold Mines	468.4	448.8	461.9	454.5	447.5	428.0	290.0
Ord. Div. Yield	7.22	7.30	7.30	7.26	7.46	7.41	6.89
Earnings, Yld. % (full)	17.00	17.23	17.26	17.18	17.63	17.54	18.11
P/E Ratio (net) (*)	7.17	7.07	7.05	7.08	6.90	6.94	6.76
Total Bargains	23,896	22,478	23,742	21,781	20,383	18,731	14,235
Equity turnover £m.	—	128.79	150.87	129.85	100.42	111.72	72.11
Equity bargains total	—	17,347	21,278	16,784	15,106	14,028	10,759

10 am 506.4. 11 am 507.1. Noon 507.6. 1 pm 507.0. 2 pm 506.5. 3 pm 507.1.
Latest Index 01-246 8026.
*Nil=6.69.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	468.4 (12/9)	265.5 (18/5)	468.4 (12/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 12	Sept. 11
—Daily		
Gilt Edged	91.9	112.3
Industrials	126.5	129.5
Speculative	67.5	66.6
Totals	84.0	88.6
5-day Avrge.		
Gilt Edged	102.1	105.6
Industrials	118.1	113.9
Speculative	79.7	79.7
Totals	82.4	80.4

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (221)

BRITISH FUNDS (9)
AMERICANS (4)
BANKS (7)
BEERS (1)
BUILDINGS (8)
CHEMICALS (2)
DRAPERY & STORES (1)
ELECTRICALS (6)
ENGINEERING (5)
FOODS (6)
HOTELS (3)
INDUSTRIALS (16)
INSURANCE (16)
LEISURE (4)
MOTORS (1)
NEWSPAPERS (1)
PROPERTY (37)
TEXTILES (1)
TOBACCOS (1)
TRUSTS (42)
OIL & GAS (2)
OVERSEAS TRADERS (2)
MINES (46)

NEW LOWS (33)

BEERS (2)
Gordon (L.) — Tomatin
BUILDINGS (1)
Howden-Stuart
STORES (4)
Gelfer (A. & J.) — Selincourt
Oliver (G.) A — Vantona
ENGINEERING (7)
Amalgamated Power — *Duport*
Brown & Tawse — R.C.F.
Butterfield Harvey — Wombwell Foundry
Ductile Steels
FOODS (1)
Bishop's Stores A
INDUSTRIALS (12)
Airfix Industries — Friedland Doggart
Beatson Clark — Pentos
Dinkie Heel — Do. A Defd.
Duple International — *Prestige Group*
Rurapipe — Rexmore
Dwek Group — Watson (R. K.)
NEWSPAPERS (1)
Black (A. & C.)
SHOES (1)
Scott (David)
TEXTILES (4)
Blackwood Morton — Radley Fashion
Montfort — Tern-Consulate

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	84	—	11	307	104	63
Corpns., Dom. and Foreign Bond	7	4	54	67	29	229
Industrials	311	152	931	1,354	938	4,678
Financial and Property	206	21	268	853	381	1,241
Oils	33	5	18	121	60	99
Plantations	3	4	17	7	27	86
Mines	84	14	59	350	167	270
Others	59	23	80	248	216	351
Totals	787	223	1,438	3,307	1,922	7,017

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 8	Sept. 19	Dec. 4	Dec. 15
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19

For rate indications see end of Share Information Service

Call options were taken out in **Silvermines, Myson, Laganvale Estates, Target Petroleum, Lorraine, Aran Energy, Town and City Properties, Cons. Gold Fields, East Daggafontein, Lee Cooper, Dunlop, Turner and Newall, Premier Oil, Impala Platinum, Montague L. Meyer, Lonrho, Coral Leisure, and BSR.** No puts were reported, while doubles were arranged in **Silvermines, Double Eagle, Woodside, Plessey, Dunlop and Higgs and Hill.**

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Fri., Sept. 12, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Sept. 11	Wed., Sept. 10	Tues., Sept. 9	Mon., Sept. 8	Year ago (approx.)	1980 High	1980 Low	Since Compilation High	Since Compilation Low
70	Miscellaneous (12)	157.88	+1.7	14.97	5.87	8.48	155.18	153.45	151.43	145.85	123.95	157.88 (12/9)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	275.40	+0.7	—	5.28	—	273.60	275.76	270.05	269.77	215.61	275.76 (10/9)	188.97 (3/1)	275.76 (10/9/80)	71.63 (13/12/74)
81	Mining Finance (3)	263.32	+2.4	11.41	3.98	10.55	257.26	255.24	251.98	253.97	130.96	263.32 (12/9)	161.95 (1/1)	263.32 (12/9/80)	66.31 (30/9/74)
91	Overseas Traders (20)	446.84	+1.2	11.25	6.61	10.71	441.36	441.29	434.40	432.19	342.77	446.84 (12/9)	330.03 (3/1)	446.84 (12/9/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	298.49	+1.3	—	5.92	—	294.71	295.48	293.54	289.52	249.90	298.49 (12/9)	225.06 (3/1)	298.49 (12/9/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Sept. 12	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.84	+0.46	—	7.62
2	5-15 years	113.31	+0.23	—	8.81
3	Over 15 years	119.54	+0.17	—	9.56
4	Irredeemables	132.52	+0.04	—	9.02
5	All stocks	112.99	+0.28	—	8.55

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Fri., Sept. 12	Thurs., Sept. 11	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	11.56	11.61	10.06	13.32 (4/3)	11.17 (21/7)
2		15 years	11.56	11.60	10.64	13.12 (4/3)	11.11 (21/7)
3		25 years	11.56	11.68	11.04	13.12 (4/3)	11.11 (21/7)
4	Medium Coupons	5 years	12.90	13.02	12.24	15.37 (4/3)	12.45 (21/7)
5		15 years	13.09	13.08	12.23	14.71 (4/3)	12.40 (21/7)
6		25 years	12.87	12.87	12.41	14.50 (4/3)	12.35 (23/7)
7	High Coupons	5 years	13.04	13.16	12.64	15.44 (4/3)	12.71 (17/7)
8		15 years	13.41	13.42	12.81	15.06 (4/3)	12.81 (21/7)
9		25 years	13.03	13.05	12.69	14.92 (4/3)	12.63 (23/7)
10	Irredeemables		11.14	11.14	10.97	12.53 (21/3)	10.80 (21/7)

		Fri., Sept. 12 Index No.	Yield %	Thur. Sept. 11	Wed. Sept. 10	Tues. Sept. 9	Mon. Sept. 8	Fri. Sept. 5	Thur. Sept. 4	Wed. Sept. 3	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	53.32	13.90	53.26	53.28	52.96	52.91	52.71	52.70	53.51	58.83	55.65 (30/7)	49.12 (7/1)	113.43 (25/10/66)	37.06 (3/1/75)
16	Investment Trust Prefs. (15)	51.33	15.17	51.56	51.28	51.28	51.37	50.54	50.50	50.09	51.48	51.37 (12/8)	46.34 (2/1)	114.41 (18/9/66)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	68.07	15.19	68.12	67.81	67.75	67.88	67.50	67.54	67.88	71.19	68.58 (4/8)	60.92 (27/6)	114.96 (7/10/68)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	128.20	British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

RBC Investment Managers Limited
PO Box 48, St. Peter Port, Guernsey. 0481-23021
Intl. Income Fd. | US$18.19 | 10.82

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914

FT UNIT TRUST IN FORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	51.1	55.0	+0.2	2.64
Abbey Capital	43.7	47.2	+0.5	5.19
Abbey General	54.8	59.2	+0.7	5.30
Abbey Gilt & F.I. Tst.	115.9	119.9	+0.2	11.41
Abbey Income	35.2	38.0	+0.1	9.11
Abbey W'Wide Bd Tst.	92.8	98.2	+0.1	6.82
Abbey Inv. Tst. Fnd.	46.5	50.3xd	+0.1	5.05
Equitas Prog. Trust	82.9	89.6	+1.0	4.81

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	92.6	97.5xd	+0.2	12.62

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	87.0	93.1xd	+1.0	5.96
Brit. Inds. Fund	78.2	83.7	+0.7	6.21
Growth & Income	48.7	52.1	+0.5	5.34
Elect. & Ind. Dev.	43.7	46.8	+0.8	5.24
Allied Capital	93.7	100.3	+1.1	4.44
Hambro Fund	134.4	143.8	+1.0	6.04
Hambro Acc. Fund	171.4	183.4	+2.0	4.91
Income Funds				
High Yield Fd.	65.1	69.7	+0.2	9.90
High Income	77.3	82.7xd	+0.8	7.68
A. H. Eq. Inc.	45.2	48.4	+0.4	7.50
Govt. Secs.	25.6	27.3	+0.1	11.65
International Funds				
International	32.1	34.3	+0.3	3.15
Pacific Fund	54.3	58.1	+0.2	2.12
Secs. Of America	65.0	69.6	+0.6	2.39

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	67.9	71.4	.....	4.06

- For Cosmopolitan see Chularton Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	37.8	40.4	+0.1	11.19
North American	53.7	57.9xd	+0.2	2.46
Canadian Exempt*	60.9	64.3		3.67
Canadian Trust	61.9	66.9	+0.7	2.69
Mid Mount High Inc.*	48.4	51.2xd		9.43
Recovery	55.8	60.0	-0.1	7.11
Gilt Trust	44.7	46.7xd	+0.1	12.40

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	33.8	36.5	+0.8	1.03
Cres. Internat'l.	67.6	73.0	+0.7	2.40
Cres. High. Dist.	42.5	45.9	+0.5	10.62
Cres. Reserves	51.1	55.1xd	+0.5	5.44
Cres. Tokyo	22.1	23.8xd	+0.3	1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.0	25.5	.....	12.20

Discretionary Unit Fund Managers
Bilbao Hse., 36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 12	225.5	240.5	+2.0	5.48

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.60
Gt. Winchester O'seas	23.8	26.4	.....	4.22

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.1	88.3	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	88.5	93.1	+1.0	4.70

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
See also Stock Exchange Dealings.

American	55.8	59.1xd	+0.2	2.14
(Accum. Units)	59.2	62.8	+0.3	2.14
American Recovery	59.2	62.7	+0.6	1.96
(Accum. Units)	60.2	63.8	+0.6	1.96
Australasian	113.3	122.9xd	+1.5	0.78
(Accum. Units)	118.2	128.3	+1.6	0.78
Commodity	125.7	133.9xd	+0.2	3.19
(Accum. Units)	146.1	155.6	+0.2	3.19
Compound Growth	159.3	172.8	+4.5	3.72
Conversion Growth	106.6	113.5	+0.3	2.73
Conversion Inc.	74.6	79.5xd	-0.2	9.47
Dividend	136.0	146.2		8.97
(Accum. Units)	291.6	313.5	+0.1	8.91
European	64.2	68.4	+0.1	3.49
(Accum. Units)	69.5	74.0	+0.1	3.49
Extra Yield	83.7	90.8xd	+0.1	10.22
(Accum. Units)	131.2	142.3	+0.1	10.22
Far Eastern	86.6	92.2xd	+1.0	1.63
(Accum. Units)	98.7	105.1	+1.1	1.63
Fund of Inv. Tsts.	86.8	92.4	+0.6	4.49
(Accum. Units)	114.6	122.0	+0.9	4.49
General	222.5	239.2	+0.5	5.84
(Accum. Units)	376.8	405.1	+1.0	5.84
High Income	111.7	119.0	+0.1	9.70
(Accum. Units)	214.8	228.8	+0.3	9.70
Japan	137.2	146.1	+0.3	1.54
(Accum. Units)	143.3	152.6	+0.3	1.54
Magnum	342.5	364.8xd	-1.0	4.37
(Accum. Units)	464.8	495.0	-1.3	4.37
Midland	167.7	178.6	+0.1	9.80
(Accum. Units)	309.1	329.2	+0.2	9.80
Recovery	120.7	128.5	+0.3	6.38
(Accum. Units)	132.9	141.5	+0.3	6.38
Second Gen.	225.8	256.8	+7.9	4.90
(Accum. Units)	385.9	418.7	+12.9	4.90
Smaller Companies	246.2	262.2xd	+0.5	4.60
(Accum. Units)	331.8	353.4	+0.6	4.60
Specialised Funds				
Trustee	169.3	182.0	-0.1	6.76
(Accum. Units)	370.4	398.2	-0.3	6.76
Charibond Sept. 9		104.0	.....	12.27
Charifund Sept. 9	167.5	170.1	.....	8.59
Pension Ex. Sept. 8	173.3	182.8	.....	6.34

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	76.7	80.7	+0.6	5.21

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	61.8	65.8	.....	5.35
Accum. Units	77.0	81.9	.....	5.35

Dealing day Wednesday
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951.

Unvl Gth Tst Acc.	34.8	37.1	..	8.09
Unvl Gth Tst Inc.	26.8	28.6	..	8.09

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	72.7	77.5	.....	1.62
Accum. Units	79.9	85.3	.....	—
Withdrawal Units	51.2	54.6	.....	—
*Stewart British Capital Fund				
Standard	174.2	184.5xd	.....	6.93
Accum. Units	202.7	214.8	.....	6.93

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Ex. Eq. Sept. 10	£319.40	336.30	.....	4.68
♥The Family Fd.	131.1	139.4	+0.6	4.83

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	67.8	73.3	+0.5	2.45
Energy	47.2	52.5	.....	2.70
Financial	92.8	100.8xd	+0.8	3.88
Gilt Accum.	134.3	140.9	+0.6	3.50
Gilt Income	96.0	100.0		12.00
Investment Trust	42.8	46.3	+0.1	3.27
Special Situations	27.1	29.3xd	+0.3	4.06
American Eagle	33.1	35.6	+0.1	1.23
Pacific Income	28.3	30.6xd	+0.1	2.14
Pacific Accum.	32.8	35.5	+0.1	2.14
Income	27.1	29.3		10.10
Extra Income	51.7	55.9xd	+0.1	11.67
Preference Share	12.4	13.7		12.68
Equity	51.8	56.0	-0.2	5.64
Income and Growth	47.4	52.4	+0.1	4.36
Growth	40.2	43.5xd	+0.6	3.69
Professional Sept. 10	220.6	237.2		4.56
Equty. Ex. Inc. Sept. 10	285.3	306.8		6.01

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

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1980 High	1980 Low	Stock	Price £	+ or -	Int.	Red. Yield
91	82¼	Aust. 5½pc '81-82	88xd	......	6.23	14.11
85¼	72½	Do. 6pc 1981-83	84	......	7.28	12.84
67	58	N.Z. 7¼pc 1988-92	65½	......	11.22	13.37
81½	72	Do. 7½pc '83-86	80¾	......	9.62	12.74
96¾	88	Sth. Africa 9½pc '79-81	96¼	......	10.23	16.49
160	95	S. Rhod. 2½pc Non-Ass.	101	+1	—	28.45
169	133	Do. 6pc '78-81 N.-As.	146	......	—	27.20

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MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	20	......	—	—	—
138	52½	Bond Corp.	122	......	hQ2.8c	2.2	1.2
156	88	Bougainville I Kina	127	+5	ttQ6.2	1.0	10.5
356	230	CRA 50c	308	......	§Q15c	2.1	2.6
25	11½	Canada Northwest	18½	......	—	—	—
42	8	Carr Boyd 20c	38	+3	—	—	—
£37	£15¼	Central Pacific	£37	+2½	—	—	—
41	17	Cultus Pacific N.L.	31	......	—	—	—
52	20	Eagle Corp. 10c	40	......	—	—	—
28	15¼	Endeavour 20c	25	......	—	—	—
495	175	G. M. Kalgoorlie 25c	495	+15	Q13c	ф	1.4
46	15	Great Eastern	24½	......	—	—	—
485	260	Hamptn Areas 5p.	485	+25	4.5	2.4	1.3
204	30	Haoma Gold N.L.	152	+6	—	—	—
62	15	Intl. Mining	60	......	—	—	—
720	80	Leichardt Expln.	160	......	—	—	—
30	7	Metals Energy	20	......	—	—	—
82	41	Metals Ex. 50c	76	−1	Q3c	ф	2.0
312	187	M.I.M. Hldgs. 50c	256	+1	Q30c	ф	6.2
21	7	Minefields Expl. 25c.	16	......	—	—	—
155	60	Mount Lyell 25c	100	+2	Q15c	ф	8.1
28	15	Newmetal 20c	20	......	—	—	—
55	13	Nickelore N.L.	39	......	—	—	—
207	137	North B. Hill 50c.	193	+1	Q18c	ф	4.9
107	44½	Nth. Kalgurli	107	+10	—	—	—
165	90	Nth. Mining Corp.	130xr	......	—	—	—
184	24	N. West Mining N.L.	140	+6	—	—	—
235	144	Oakbridge SA1	190	......	Q12c	4.7	3.3
153	70	Otter Expl. N. L.	125	......	—	—	—
240	128	Pacific Copper	210	−4	—	—	—
465	255	Pancont'l 25c	350	+5	—	—	—
78	42	Paringa M&Ex.5p	61	+2	—	—	—
515	335	Peko-Wallsend 50c.	515	+25	†Q17.5c	ф	1.8
230	140	Seltrust A	160	−4	—	—	—
£14¼	575	Southern Pacific	£14½	+¾	—	—	—
100	31	Swan Resources 20c.	90	+2	—	—	—
34	8	West Coast 25c	22	......	—	—	—
313	177	Westn. Mining 50c.	287	+5	Q14c	ф	2.5
30	10	Westmex	14	......	—	—	—
108	56	Whim Creek 20c.	95	......	—	—	—
34	10½	York Resources	27	−1	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	17	......	16.0	—	‡
370	255	Ayer Hitam $M1	343	−5	‡Q290c	0.9	9.6
67	42	Beralt Tin	67	......	4.5	3.2	6.6
300	149½	Berjuntai $M1	270	−5	Q85c	ф	7.7
230	150	Geevor	155	......	8.4	1.9	—
12	10	Gold & Base 12½p	12	......	—	—	6.1
650	310	Gopeng Cons.	590	......	†25.0	1.8	‡
435	280	Hongkong	430	......	‡35.87	ф	15.2
132	90	Idris 10p	132	......	14.0	1.2	15.3
15	12½	Jantar 12½p	14	......	1.5	ф	0.0
115	64	Kamunting $M0.50	110	......	Q80c	1.0	2.9
350	150	Killinghall $M1	350	......	‡‡Q50c	ф	1.7
125	48½	Malay Dredging 10c	123	−2	mQ10½c	2.6	1.6
42	26	Pahang	39	......	0.44	0.3	7.7
112	83	Pengkalen 10p	112	......	6.0	1.3	9.4
335	230	Petaling $M1	335	......	†Q150c	1.4	5.7
44	22	South Crofty 10p	25	......	1.0	ф	37.6
305	215	Sungei Besi $M1	260	......	Q480c	1.1	3.0
55	22½	Supreme Corp. $M1	55	......	hQ8c	—	6.8
125	90	Tanjong 15p	120	......	ф5.75	6.0	9.6
115	78	Tongkah H. Tin	105	−5	Q45c	1.3	‡
355	220	Tronoh $M1	325	......	‡Q250c	0.7	‡

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
240	130	Messina R0.50	240	......	mQ10c	ф	2.4

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	142	......	—	—	—
97	52	Barymin	60	......	—	—	—
17	12	Burma Mines 10p	13½	......	0.62	1.1	6.6
257	53	Colby Res. Corp.	257	......	—	—	—
502	285	Cons. Murch. 10c.	350	......	MQ100c	1.8	16.4
180	80	††Hemerdon 10c.	85	+5	—	—	—
585	325	Northgate C$1	480	......	—	—	—
487	327	R.T.Z.	487	+9	15.0	3.2	4.4
37	16	Robert Mines	37	+9	—	—	—
112	91	††SPO Minerals 10p	94	......	—	—	—
58	26	Sabina Inds. C$1	40	−3	—	—	—
51	31	††SWCM 10p	40	......	—	—	—
650	411	Tara Exptn. $1	585	+30	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	......	Conv. 9% '80/82	£93¾	+¼
Bertam	15	......	Nat. 9¾% 84/89	£82½	+¼
Bdg'wtr. Est. 50p	450	......	Fin. 13% 97/02	£91¼	+⅜
Craig & Rose £1	£11	......	Alliance Gas	51	......
Fife Forge	35	......	Arnott	200	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	69	−2
Graig Ship. £1	£12	......	Clondalkin	120	......
Higsons Brew	77	......	Concrete Prods.	80xd	......
Holt (Jos) 25p	260	......	Heiton (Hldgs.)	29	......
I.O.M. Stm. £1	152	......	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	40	......
Peel Mills	45	......	Jacob	31	......
Sheff. Refrshmt.	182	......	T.M.G.	75	......
Sindall (Wm.)	140	......	Unidare	77	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2½	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	23	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	25	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES

Saturday September 13 1980

MAN OF THE WEEK

Military solution in Turkey

BY METIN MUNIR

"OUR NATION can no longer tolerate those who misuse the extensive freedoms stipulated in our constitution, those who sing the Communist Internationale instead of our national anthem, or those who wish to replace the democratic system with all sorts of fascism, anarchy, destruction and separatism."

The words are those of General Kenan Evren, the commander of the *Turkish armed* forces, who yesterday seized political control at the head of a seven-man military junta. His statement was made at the beginning of this year when Turkish politicans and foreign observers alike were apprehensively attempting to guage his character and the likely effect that mounting political violence in the country would have on him and his fellow commanders.

At that time the consensus seemed to be that General Evren was essentially cautious, what was described as a "sensible soldier," and therefore on balance unlikely to overthrow the politicians unless greatly provoked.

There were even those who thought that this rather humour-

General Kenan Evren
Disdain for politicians

less and apparently modest man *might prove excessively deferential* to the politicians. But General Evren was also the most powerful man in the country. Yesterday he exercised that power.

Officers who initially trained with General Evren remember him as someone who sought to minimise his strength of character and did not show his feelings easily.

Aged 61, he was commissioned into the artillery at the age of 20 after graduating from the War Academy. He fought in Korea. In 1964, four years after the Turkish army staged its first coup, he became a general.

When the second coup occurred in 1971, General Evren occupied one of the top ten posts in the army, but was not directly involved in the takeover. In 1977 he became Commander in Chief of the ground forces and the following year, as Turkey stumbled into its worst economic crisis, Chief of Staff.

As such General Evren commanded the second largest *armed force* in NATO after the United States with a total strength of about 566,000.

The relationship between military and civilian power has always been extremely delicate in Turkey. The generals are invariably anxious for the politicians to get on and govern, but there is no question that they have seen themselves as both equal partners and as the guardians of the constitution.

Yesterday, General Evren had harsh words for all Turkish politicians. Of the political leaders he said: "Instead of trying to put out the fire, they poured gasoline on it." And of Members of Parliament, "they remained indifferent to the nightmare into which the country relapsed."

His disdain towards politicians might indicate that General Evren is planning to establish a dicatorship. Yet those people who know him reasonably well say that he is a moderate and dedicated to democracy. Repeatedly in his address, General Evren claimed that his target was to introduce democracy, after drafting a new constitution "in a manner that the Parliamentary system would not degenerate as it has now."

To overcome Turkey's problems. General Evren will require more than the concern which he displayed over his crippled country on television yesterday.

He will need expert advice on the economy and a degree of toughness falling short of brutality to deal with both left- and right-wing terrorism. It is a mix of prudence and firmness that evaded the leaders of Turkey's last two military-backed regimes.

Steel extends invitation to Labour dissidents

BY RICHARD EVANS, LOBBY EDITOR

MR. DAVID STEEL, *Liberal* Party leader, yesterday invited Mr. Roy Jenkins and disenchanted Social Democrats to join the Liberals rather than set up their own party.

This was the best means of achieving a realignment of British politics he said, in a crusading speech to the party's annual assembly at Blackpool.

In an assembly that has seen confusion and anxiety over possible links with a new centre party, Mr. Steel said the Liberals were now well placed to grasp the political initiative as the Conservative Government became increasingly unpopular and the Labour Opposition continued to be internally *divided*.

But, to the relief of many party activists, Mr. Steel said there was no question of an electoral pact with any other grouping.

His message was clear: the *Liberals* intended to maintain their independence and would refuse to be submerged in a new Jenkinsite grouping. Labour Party dissidents would be welcomed into Liberal ranks. "We must have an open door policy," Mr. Steel said.

The formula, carefully constructed following anxious party discussions all week, will prob*ably be acceptable to the* majority of activists. But the reality—which Mr. Steel accepts privately — is that there will probably be very few recruits.

The Labour conference in Blackpool in two weeks is likely to see the Left rebuffed in its attempts to change the party constitution and there will be every incentive for leading *Social Democrats to remain* This would make any move by Mr. Jenkins to set up a new party next year much less likely.

This did not affect Mr. Steel's confidence in his party's short-term prospects at the next General Election.

"I foresee a Liberal vote so massive and the number of Liberal MPs so great that we shall hold the initiative in the new Parliament," he said.

The other major theme of Mr. Steel's speech was the need to force a change in the Government's economic strategy.

He advocated increased public investment where jobs would result; the reduction of bank rate so that the value of the pound would fall; the encouragement of more youth employment by the cutting of employers' National Insurance contribution for all those aged under 21; the launching of a Buy British campaign and the clear marking of all imported goods; a sustained policy on price and income increases; and the construction plants to recycle and re-use waste materials.

Conference report, Page 4

Thatcher rejects CBI plea

BY JOHN ELLIOTT AND PHILIP RAWSTORNE

THE CONFEDERATION of British Industry failed last night to win any immediate concessions from the Prime Minister on the Government's economic policies.

During talks lasting over two hours, Sir Ray Pennock, CBI president, told Mrs. Thatcher that a reduction in interest rates, together with other concessions, was urgently needed. But the Prime Minister emphasised that the Government's policies had to be persevered with and gave no indication of any early concessions.

Sir Ray argued that progress on combating inflation, if matched by lower public sector pay increases and reductions in public spending, meant that the Government could afford to reduce interest rates. Other concessions were also needed such as ending the national insurance surcharge.

At a time when the Government is coming under increasing attack in advance of next month's two main political party conferences, Sir Ray went out of his way to dispel any suggestions that Mrs. Thatcher is losing the basic support of industrialists for her primary policies.

This contrasted with a rumbustuous attack on the Prime Minister launched by Mr. Denis Healey, Shadow Chancellor of the Exchequer, in response to the Government's refusal to recall Parliament for country's economic problems September 23 to debate the and the level of unemployment.

Mr. Healey accused her of "pigheaded and peremptory treatment of both the CBI and Parliament" and added: "She has set Britain on the road to ruin."

The exchanges between the Prime Minister and Mr. Callaghan about recalling Parliament continued yesterday when Mrs. Thatcher sent him a letter by hand again rejecting his request because there were "no developments in the country's economic situation which make it necessary."

Benn's speech, Page 3

Building societies renew warning

BY ANDREW TAYLOR

BUILDING societies yesterday repeated their warning that a cut in mortgage rates would be further delayed by the Government's decision to extend its index-linked retirement bond scheme to all people over 60.

The warning came despite another good month in August for building society receipts.

Last month society net receipts of £307m were the second highest monthly total this year. In July net receipts had reached £340m.

However, despite the recent improvement, the Building Societies' Association remains highly concerned about the impact the new index-linked savings certificate, to be launched in November to raise around £1.5bn, will have on its members' finances.

The new issue will be available for the first time to all people over 60. Only women over 60 and men over 65 are *eligible for the present index*-linked issue. At the same time the maximum amount each individual will be allowed is to be increased from £1,200 to £3,000.

Mr. Norman Griggs, secretary general of the Building Societies' Association, said yesterday that the new issue might be expected to take between £500m and £750m of funds which would have been expected to come into or remain in building society accounts.

Around a quarter of the 20m or so building society investors are thought to be aged 60 and over and eligible for the new issue. Societies anticipate significant withdrawals between November and January as the new issue gets under way.

As a result a number of building society managers now expect a reduction in mortgage rates will not occur until the New Year, at the earliest.

The decision to extend the present "granny bond" scheme has come at a time when building society finances have improved dramatically. In the

Background, Page 7

Threat to enforce steel quotas

BY GILES MERRITT IN BRUSSELS

CONCERN IS growing in Brussels that the Common Market's Davignon plan for maintaining price and production discipline in steel voluntarily, is in danger of collapse.

As a result, the European Commission has revealed that it has not ruled out the use of its special emergency powers to impose output quotas on EEC steel producers and set new restrictions on steel imports.

The possible use of the "manifest crisis" emergency powers contained in Article 58 of the European Coal and Steel Community's Paris Treaty was discussed yesterday when the steel community's consultative committee met in Luxembourg to review the European Commission's programme for a voluntary 13 per cent cut in steel output by EEC producers in the fourth quarter of this year.

But the outlook for such cuts being agreed is now being marred by open suspicion among producers that some companies, notably in West Germany, have *disregarded* output quotas during this year.

Viscount Etienne Davignon, the EEC Industry Commissioner, and architect of the Davignon plan, is understood to have failed to convince Thursday's meeting in Brussels of Eurofer, the "club" grouping the main EEC steelmakers, that the 13 per cent cuts in production are a necessity.

M. Fernand Braun, the EEC Director-General for Industry, warned yesterday that Article 58 powers would be used as a "last resort."

It is, however, pointed out in Brussels that it would be no easier to ensure that the compulsory production limits were being observed than it has been to police the voluntary quotas of the Davignon plan.

Viscount Davignon is believed to be placing some hopes in the effect that a limited resumption of EEC steel sales to the U.S. could have on persuading European producers to support voluntary disciplines.

More short-time working in steel, Page 4

Turkey Continued from Page 1

Gen. Evren has said that he will take a tough line toward communist and neo-Fascist terrorists who have brought Turkey to the brink of civil war. He has given a free hand to his martial law commanders to establish law and order as they see fit.

The coup took place in an almost gentle manner. Generals rang the party leaders and asked them to be ready to be taken into custody "in an hour and a half's time, if you like with your wife," it was reported here.

"When the situation is suitable they will be set free," from "protective custody imposed for their own security," the generals said.

Tanks and armoured cars rumbled into the main towns three hours before dawn and thousands of troops took up positions at vantage points.

But in the afternoon the atmosphere relaxed.

David Marsh writes: The coup sparked off an early rush of buying on the international precious metals markets yesterday, gold rising to just below $700 an ounce and silver crossing the $20-an-ounce level for the first time since March.

Prices eased later on profit-taking. Gold closed in London at $687.50 an ounce, up $6 from Thursday, after falling back from the day's high of $697. The closing price, registering a gain of $36 compared with last Friday, was the highest for seven months.

Spot silver finished at $21.25 an ounce, up $1.35 from Thursday, after earlier touching $22.55.

BL £181m loss Continued from Page 1

nor BL Cars would be able to "come up with extravagent pay offers" this year.

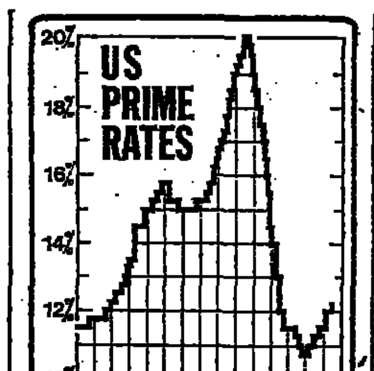
Earlier the union side of the joint negotiating committee had met and decided to claim a *£17.20 flat rate increase, representing* a 20 per cent increase on the basic wage averaging £86.03, when pay comes up for review in November.

In his wide-ranging statement yesterday Sir Michael also added his voice to the call by senior industrialists for an immediate cut in interest rates.

Sir Michael also called on the Government to take immediate action to stop the import of *cars from Spain unless the* Spanish authorities eased the restrictions on vehicle trade in the other direction.

This protest could be embarrassing for Ford. Fiesta imports from its Valencia plant account for all the "67,000 Spanish-built cars in the Metro category sold in Britain in the last 12 months." about which Sir Michael complained.

Arthur Smith writes: Jaguar is to lay off the majority of the 5,000 workers at the Browns Lane assembly plant in Coventry for up to 2½ weeks because of depressed demand. The lay-off will follow a week's autumn holiday for all employees scheduled for later this month.



New rise in U.S. prime

By Paul Betts in New York

CITIBANK, THE largest New York bank, led the way yesterday to another increase in U.S. prime lending rates by lifting its lending rate, to prime borrowers, by a quarter percentage point to 12¼ per cent.

Citibank's move, to 12¼ per cent, reflecting a broad increase in the cost of bank funds and a pick up in U.S. loan demand, was quickly followed by several other large U.S. banks including Manufacturers Hanover, Chase Manhattan, Bank of America and Marine Midland. The latest rise thus continues the upward movement in U.S. prime lending rates that began at the start of August when the prime stood at 10¾ per cent.

Prime lending rates have since edged steadily upwards, and last Friday Citibank led the previous increase by lifting its prime rate by half a percentage point to 12 per cent.

The current upward trend in the prime is now threatening to become a sensitive political issue as the presidental election campaign moves towards its *November climax. There are* growing fears that the rise in U.S. interest rates will halt the economic recovery which has been underway during the last two months.

Mr. William Miller, the U.S. Treasury Secretary, claimed earlier this week that interest rates were now about to peak. His remarks appeared to confirm the concern of the Carter administration over the recent rise in interest rates which could slow down the recovery, thus damaging the President's re-election bid in November.

But Mr. Paul Volcker, Chairman of the Federal Reserve Board, one again vowed this week not to relax the central bank's current tight monetary policies. In particular, he said, the underlying rate of inflation in the U.S. was now 9 to 10 per cent.

During the last 48 hours, long term bond prices have been depressed as short term interest rates have climbed due to fears of continuing high inflation, and in anticipation that the Fed *might be pushed to squeeze* credit further.

Weather

UK TODAY

MOSTLY dry, sunny intervals. Cool. Strong winds in north.

London, S., E. and N. England, Channel Isles

Dry, sunny intervals. Max. 18C (64F).

N.W. and N.E. England, N. Wales, S. Scotland, I. of Man

Sunny intervals, scattered showers. Gales in exposed parts. Max. 17C (63F).

S.W. England, S. Wales

Dry, perhaps rain later. Max. 18C (64F).

E., C. and N. Scotland

Sunny intervals, showers, winds strong to gale. Max. 15C (59F).

Orkney, Shetland

Cloudy, outbreaks of rain. Wind strong to gale. Max. 12C (54F).

N. Ireland

Sunny intervals, showers, strong winds. Max. 15C (59F).

Outlook: Changeable, becoming warmer.

WORLDWIDE

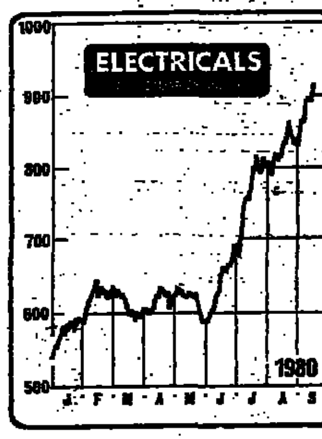
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	Lisbon	S	37	99
Amsdm.	F	19	66	London	F	19	66
Athens	S	29	84	Luxmbg.	C	14	57
Bahrain	S	36	97	Luxor	S	37	99
Barclna.	S	26	79	Madrid	S	32	90
Beirut	S	28	82	Majorca	F	26	79
Belfast	C	14	57	Malaga	S	28	82
Belgrd.	F	21	70	Malta	C	25	77
Berlin	C	17	63	M'chstr.	R	15	59
Biarritz	C	21	70	Melbne	S	13	55
Bmghm.	F	17	63	Milan	R	23	73
Blackpl.	F	16	61	Mntreal.	C	8	46
Bordx.	F	25	77	Moscow	F	23	73
Boulgn.	C	16	61	Munich	F	20	68
Bristol	C	17	63	Nairobi	S	25	77
Brussels	C	17	63	Naples	F	25	77
Budpst.	F	19	66	Newcstl.	F	15	59
Cairo	S	30	86	N. York	C	21	70
Cardiff	C	16	61	Nice	S	24	75
Cas'b'ca	F	27	81	Oporto	F	17	63
Cape T.	F	17	63	Oslo	R	9	48
Cologne	C	20	68	Paris	C	20	68
Cpnhgn.	C	15	59	Perth	S	18	64
Corfu	S	27	81	Prague	C	17	63
Dublin	R	15	59	Reykjvk.	F	9	48
Dbrvnk.	S	24	75	Rhodes	S	27	81
Edinbgh.	F	12	54	Rome	S	27	81
Faro	F	30	86	Salzbrg.	F	20	68
Florence	S	28	82	Singapr.	F	31	88
Frankft.	C	19	66	Stckhm.	F	17	63
Funchal	S	25	77	Strasbg.	S	22	72
Geneva	S	20	68	Sydney	S	18	64
Gibraltar	S	24	75	Tangier	F	30	86
Glasgow	R	13	55	Tel Aviv	S	27	81
G'rnsey	F	16	61	Tenerife	C	20	68
Helsinki	C	13	55	Tokyo	F	30	86
H. Kong	S	31	88	Tunis	F	30	86
Innsbrk.	F	20	68	Valencia	S	32	90
Invrnss.	R	14	57	Venice	S	23	73
Jersey	F	17	63	Vienna	F	20	68
Jo'burg	S	22	72	Warsaw	C	13	55
L. Plms.	C	25	77	Zurich	S	20	68

C—Cloudy. F—Fair. R—Rain; S—Sunny.

THE LEX COLUMN

Paying for BL's Metro ticket

Index rose 5.9 to 508.9



Things are pretty black out there in the real economy, to judge by this week's string of appalling company results. But in the financial market, the All-Share Index stands at an all time high and the Government Broker has been able to announce yet another £1bn tap stock. So long as investors believe that the economy will start to climb up the other side of the valley sometime next year, they seem prepared to put up with almost anything.

BL

Every patriotic "Buy British" purchaser of a BL car in the first half of the year seems to have paid on average around £500 less than it cost the company to make the vehicle, judging by the serious escalation of BL's pre-tax losses to £154.9m in January-June. In the second *half of last year losses* were £142.9m, aggravated by the production difficulties which resulted from the engineering dispute. In the first half of 1979 BL actually reported pre-tax profits of £20.1m.

The collapse of sales has been the main reason for the deterioration over the past year. Vehicle sales have tumbled from 414,000 units in January-June 1979 to 290,000 in the same period this time. Moreover redundancy payments charged above the line have cost £16.8m, and a further figure of £22.9m for plant closure costs has been treated as extraordinary. The buoyancy of sterling and the high level of interest rates have also clearly been serious problems for BL, *although on the other hand the group has had* the benefit of £150m of new equity in May 1979 plus a further £150m in March this year.

There is, confesses BL, no hope of an early improvement in trading. The much vaunted Metro is to be launched next month, but production and sales will take a while to gather pace; meantime industry forecasts for the European market in 1981 remain fairly bleak. This year's cash outflow seems destined to rise to well over £400m against £334m in 1979. In theory, it should fall sharply next year. But with BL getting ready to request finance for its LC-10 family, the £130m of Government finance so far committed for 1981-83 is not going to go very far.

Electricals

Two electrical giants held annual meetings yesterday. Thorn EMI revealed that profits in the first half would be below *the level of last year,* and the share price fell 22p at one stage, although it recovered to 360p to show an overall drop of 12p on the day. Yet the news had been foreshadowed last month when the chairman warned in the annual report that "if I were to restrict my thinking to the outlook for the next months it would be difficult to be anything but pessimistic." In sharp contrast, the announcement at GEC's rival gathering that profits have been running ahead of the level last year was enough to push the share price 17p higher to 537p.

The movements, while perhaps not overly significant in themselves, underline the volatility of the stocks in the electrical and electronic sectors, which have stormed higher in *the latest three and a half* months. The electricals index is now 65 per cent higher than at the beginning of the year—more than doubling the 29.4 per cent gain in the All-Share. Within the average, Plessey's price is 134 per cent higher, and STC's is up 88 per cent.

The capital goods electricals have been attractive because investors see long-term growth in defence electronics, telecommunications and microprocessors. At the same time, this sector promises to be cushioned from the present recession and should be able to report increases in profits when elsewhere declines will be the rule. The importance attached to *short-term profitability* is underlined by yesterday's drop in the Thorn EMI share price which, after languishing through much of the year, had seemed in recent months to have begun to be pulled up in the wake of the other electrical stocks less exposed to the consumer downturn.

In the two-tier market that has developed some of the stocks are beginning to look dangerously expensive, with several standing on earnings multiples of more than double the market average. The pros*pective p/es* of Racal, Ferranti and STC are well into the 20s on a fully-taxed basis, for instance, while Electrocomponents and Unitech are close behind. Few comparable stocks abroad are standing on these kind of multiples. A comparison of GEC with Siemens, for example, puts the British company on at least double the rating of the German.

Present price levels leave little room for the absorption of shocks meanwhile, such as poorer than expected profits performance or, perhaps, the announcement of Post Office spending cutbacks due to a cash limits squeeze. But the main threat may come when the clouds of recession lift a little and other sectors begin to display rival attractions.

Acrow

The annual report from Acrow shows how even the most effective of Britain's engineering companies have been knocked for six in the current industrial climate. Its workforce has been cut significantly, and settled for average increases of just 7 to 11 per cent in the last pay round. But that was nothing like enough to protect margins, and after 40 years of rising profits the pre-tax total plunged from £13.8m to £2m. In current cost terms, that translates into a loss of £1.8m.

Acrow has been especially vulnerable to the strength of sterling—exports account for over half its sales—and to falling demand for capital goods. It has had a particularly rough time in cranes, excavators, containers and fabrication work, and its sales are down in money terms. Rising interest costs and falling profits have cut its income cover from 5.5 to 1.4, *and only a timely property revaluation* has kept its capital gearing to respectable proportions.

All the same, this group looks like a survivor. Although it is having to concede less favourable payment terms to its customers in order to secure business, its cash position is under control thanks to a hard drive on stocks. And Acrow has decided that within reason it will aim to maintain its market share without worrying too much about margins. Export orders are rising, and the hope is that profits will look rather more healthy later this year.

Acrow is strong enough to try to sell its way out of its problems. Lots of other UK engineers are not.

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